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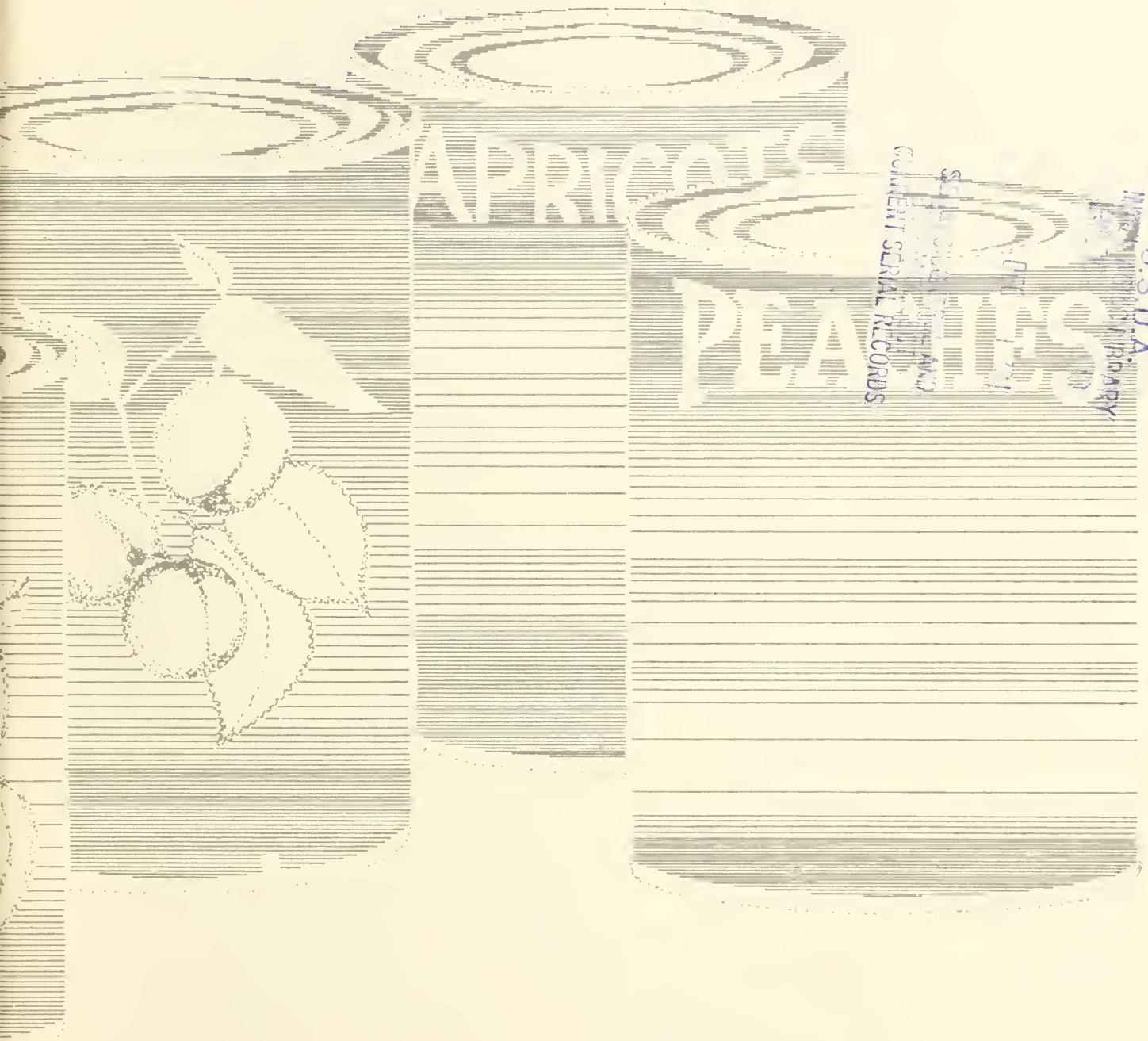
FAS M-304

The Canned Deciduous Fruit Industries in Greece and Italy



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Area is reported in hectares, equal to 2.47 acres. Tons refer to metric tons equal to 2,204.6 pounds. Greece and Italy report canned statistics in metric tons and include the weight of the cans. Unless otherwise noted, canned data provided in this report are in metric tons as reported or converted from these metric ton figures to net cases of 24 No. 2 1/2 equivalents at 42.396 cases per ton. This conversion factor is based on an estimated case weight of 52 pounds (gross weight minus weight of master carton). A net case of 24 No. 2 1/2 equivalents is assumed to weigh 45 pounds or 20.41 kilograms and includes only the fruit and liquid contents of the can.

FOREWORD

On January 1, 1981, Greece became the tenth member of the European Community (EC). Greece and Italy combined export more canned peaches, fruit cocktail, and pears than the United States, South Africa, or any other country. Since its inception, the European Community (EC) has protected its canned deciduous fruit industry by applying high tariffs and variable sugar levies to restrict imports of canned deciduous fruits from the world's more efficient producers. Although tariffs on a number of canned fruits were reduced somewhat and the variable sugar levy fixed at 2 percent AVE in the Tokyo Round of the Multilateral Trade Negotiations, the EC implemented a processing subsidy scheme in 1978/79. This scheme now applies to such deciduous fruits as peaches, William (Bartlett) pears, and sweet cherries.

This report is based on a survey conducted in May 1980 by Bernie Benidt, representing the California Cling Peach Advisory Board, and the author. The information from this survey was then supplemented by other sources of information. The report focuses on the Greek and Italian canned peach and fruit cocktail industries, but production of other canned deciduous fruits is also mentioned. In addition, the author reviews the effects of the EC's processing subsidy scheme and Greek accession.

The members of the survey team are indebted to the staffs of the Agricultural Attaches's office in Athens, the Agricultural Counselor's office in Rome, and the staff of the Agricultural Office in Milan. The time and assistance provided by Mr. Basil Koronakis in Greece and by Mr. Francesco Guarneri and Mr. Sandro Perini in Italy deserve special mention.

Gilbert E. Sindelar
Director
Horticultural and Tropical Products Division

February 1981

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September 1981

THE CANNED DECIDUOUS FRUIT INDUSTRIES IN GREECE AND ITALY

By Robert E. Haresnape
Horticultural and Tropical Products Division
Commodity Programs
Foreign Agricultural Service

SUMMARY

On January 1, 1981, Greece became the tenth member of the Economic Community (EC) and replaced Italy as the primary EC producer of canned peaches and apricots. Italy continues, however, as the dominant EC producer of fruit cocktail and other canned deciduous fruits. Together, Italy and Greece account for the bulk of the EC's output of canned deciduous fruits, and both countries have the potential to expand production if provided the proper incentives.

In 1977, the EC conceived a scheme of minimum grower prices and processor subsidies for selected fruits and vegetables. The system was implemented during the 1978/79 season and the list of eligible commodities has been expanding. Canned deciduous fruits that are currently eligible under the scheme are peaches, William (Bartlett) pears, and sweet and morello cherries. EC processing subsidies and minimum grower price levels are excessive and a definite inducement to higher production levels that act to the detriment of third country suppliers.

With the addition of Greece and accession negotiations now underway with Spain and Portugal, the EC might show some moderation in setting future support levels for processed fruits and vegetables. For the 1980/81 season, the EC did lower processing subsidies for peaches and William (Bartlett) pears. Until the 1981/82 season, quantities of William (Bartlett) pears and cherries eligible for processing subsidies were limited but there was no quantitative limitation for peaches. On April 1 the EC Council rejected specific quantity limits for all processed fruits and vegetables. Instead, the EC Commission reduced the subsidy rates on all fruits and vegetables eligible for processing subsidies in order to save 170 million ECU's (about $206 million)—the projected savings if production limitations had been adopted for all eligible commodities.

Peaches and fruit cocktail dominate U.S. exports of canned deciduous fruits, with cherries a distant third. Whereas Western Europe was the dominant overseas market for U.S. exports of canned peaches and fruit cocktail in the decades of the fifties and sixties, that market now accounts for only one-fourth to one-third of U.S. exports of these items. EC domestic support policies, coupled with 22 to 24 percent import duties, levies on sugar content, and duty-free imports from Greece, have been effective in reducing imports from third country suppliers. The new processing subsidy scheme could not only further curtail imports, but it could also create surpluses that would have to be disposed of in other markets in competition with exports from the United States and other non-EC suppliers.

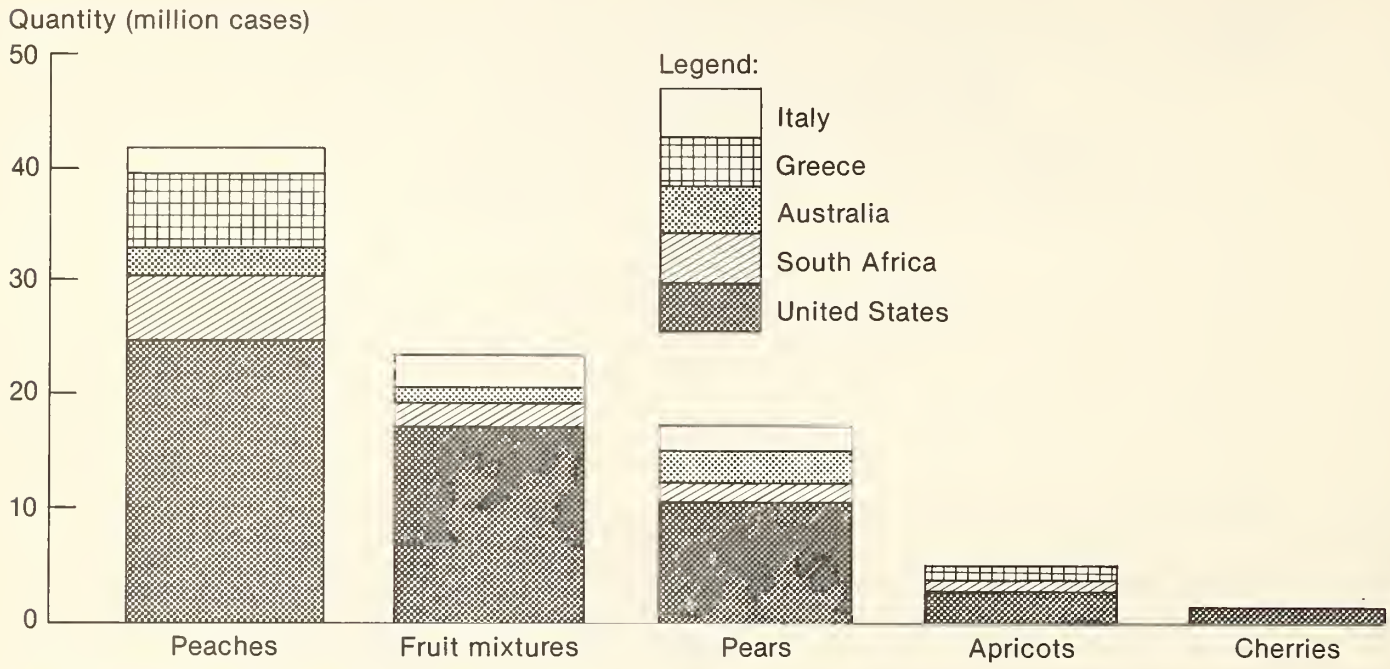
Because of their effects on U.S. exports, this report focuses on present production policies for canned peaches and fruit cocktail in Greece and Italy and how these policies could be influenced by the EC processing subsidy scheme. Comparisons are complicated by the fact that in both Greece and Italy, detailed and solid statistics for fruit production, processing, and exports are not readily available. Data provided in this report often represent estimates or a consensus of opinion.

INTRODUCTION

Fresh Deciduous Production

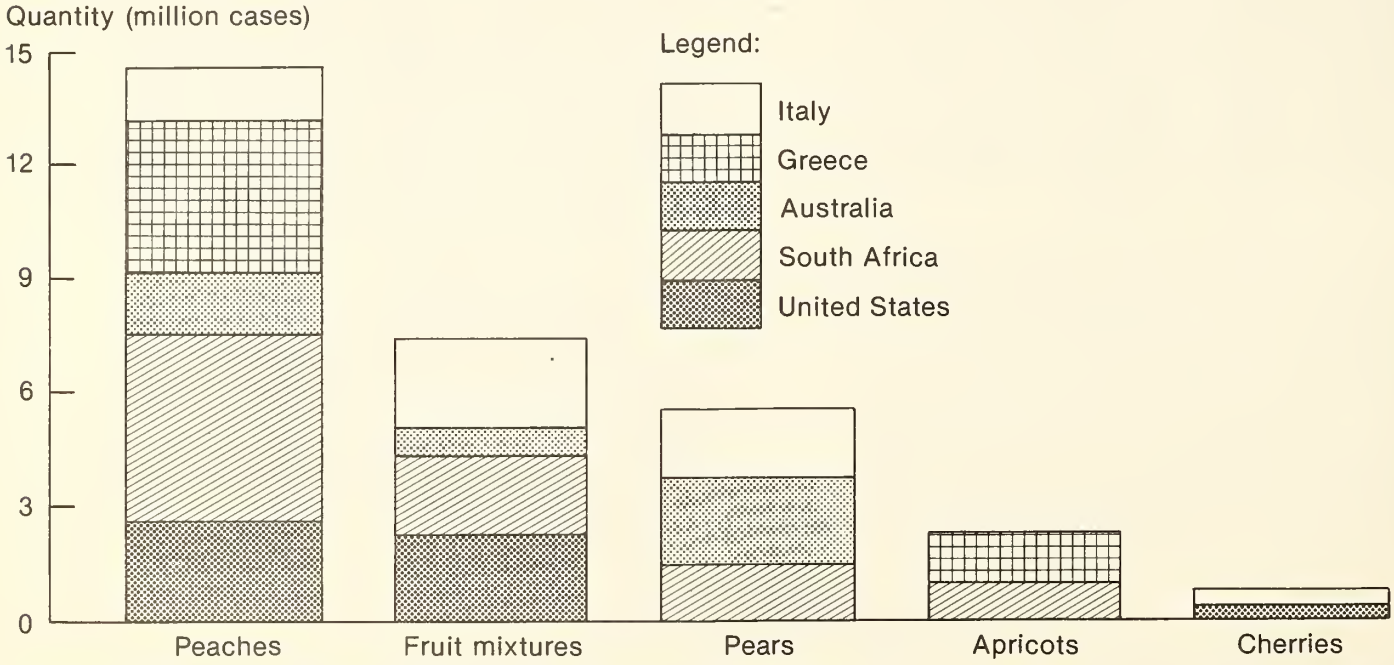
Italy is the largest EC producer of fresh deciduous fruits, averaging nearly 4.96 million tons during the 5-year period 1975-79, of which 40 percent was apples, 26 percent pears, 26 percent peaches, and 8 percent other fruits (cherries, plums, and apricots). During the same period, fresh deciduous production in Greece averaged only 750,000 tons a year, of which 43 percent was peaches, 31 percent apples, 14 percent pears, 9 percent apricots, and 3 percent cherries. Greece also produces small quantities of plums.

Canned Fruit Production: Selected Fruits and Countries, 1979



(Quantities are in millions of cases. Each case is equivalent to 24 2½ size cans, net.)
Source: Horticultural and Tropical Products Division Commodity Programs, FAS, USDA.

Canned Fruit Exports: Selected Fruits and Countries, 1979



(Quantities are in millions of cases. Each case is equivalent to 24 2½ size cans, net.)
Source: Horticultural and Tropical Products Division Commodity Programs, FAS, USDA.

Canned Deciduous Output

A comparison of canned deciduous fruit output during the 1975/76-1979/80 period shows that Italy averaged 146,400 tons and Greece, 142,800 tons. Italian production consisted of 38 percent fruit mixtures, 30 percent pears, 23 percent peaches, 4 percent cherries, and 5 percent other fruit, while Greek output was 70 percent peaches, (41 percent freestones and 29 percent clingstones), 23 percent apricots, and 7 percent unidentified (principally pears and strawberries).

Canned deciduous output in Greece has increased from about 56,000 tons in 1971 to an estimated 185,000 tons in 1980. In the latter year, canned output consisted of 135,000 tons of peaches, 40,000 tons of apricots, and 10,000 tons of other deciduous fruits.

Canned deciduous output in Italy increased from 133,000 tons in 1971/72 to an estimated 161,000 tons in 1980/81. An estimated breakdown for the 1980/81 season is 55,000 tons of fruit mixtures, 44,000 tons of pears, 50,000 tons of peaches, 6,000 tons of cherries, and 6,000 tons of other fruits.

Canned Deciduous Exports

Italian exports of the principal canned deciduous fruits (fruit mixtures, peaches, pears, and cherries) during the 1975-79 period averaged 115,033 tons, consisting of 40 percent fruit mixtures, 36 percent pears, 18 percent peaches, and 6 percent cherries. A breakdown of 1979 exports (in thousands of cases) follows: fruit mixtures–2,429; pears–1,712; peaches–1,313; cherries–244; and apricots–37.

While data on canned deciduous exports for Greece are unofficial and incomplete, it is estimated that during the 1975-79 period, Greece exported an average of 134,500 tons of canned deciduous fruits. These exports consist of roughly 65 percent peaches, 25 percent apricots, and 10 percent other fruit (including strawberries). Estimates of 1979 exports by type (in thousands of cases) are: peaches–4,030; apricots–1,185; and other–465.

Greece is now a major world producer and exporter of canned peaches and apricots, and could become a significant exporter of canned fruit cocktail. Since there is no significant domestic market for canned deciduous fruits and no domestic program to promote consumption, Greek production depends on export markets.

Canned deciduous fruit production in 1980 is estimated at 185,000 tons, consisting of 73 percent peaches and 21 percent apricots. The remainder is composed of fruit mixtures, pears, and strawberries. Therefore, the focus of the USDA survey on Greek production was on canned peaches, which are being exported in increasing quantities to European markets to the detriment of canned peach exports from the United States and other third countries.

Two decades ago, Greece produced virtually no canned peaches. Today, Greece vies with South Africa both for top honors as an exporter and for second place as a producer of canned peaches after the United States. However, at the same time the Greeks have had a difficult time improving the low quality of their canned peaches. Cultural, harvesting, and canning practices had to be improved and the canning of clingstone rather than freestone varieties had to be introduced. As a result of a Government program from the midsixties until 1972 that paid growers to plant clingstone varieties, production of canned clings expanded rapidly in the 1970's, with a corresponding improvement in quality. Although the program was terminated, growers continued to plant clingstones. Canned clings, which averaged only about 42 percent of the canned peach pack during the 5-year period 1975-79, represented 70 percent of the peach pack in 1980. Today, the principal quality problem is the variability of the product (particularly among canners) due to the lack of overall industry or Government standards.

Estimates of Greek peach processing capacity vary widely. However, it is believed that total effective capacity is between 110,000 and 120,000 tons of fresh fruit or 140,000 to 150,000 gross weight tons of canned product, equivalent to 6.0 to 6.4 million cases (24 No. 2 1/2 net). Cling peach pitting capacity may be one-third below these estimates since older style pitters are not convertible to use on clingstone peaches.

Even though canned peach output in Greece is reported on a can weight basis, canned cling production is always lower than reported fresh production, which is estimated on a field yield basis. Some clings are left in the orchard or rejected by canners for quality reasons. Others are destined for home use or the nearest fresh market. Some are exported in high production years to neighboring East European countries for canning.

There is little doubt growers will continue clingstone plantings as Greece looks forward to full EC support measures after a 7-year transition period. In 1979, Greece switched to a processing subsidy program similar to the one used by the EC since 1978. It differs, however, in that support levels differentiate between clingstones and freestones, and are much lower than those in the EC.

Data by country of destination are not available for Greek exports of canned peaches. However, the EC is the primary export destination, taking (according to one source) nearly 90 percent of the 95,000 tons exported in 1979. West Germany is the principal market and there are high expectations for the United Kingdom since the first recorded shipments in 1976. Greek exports have been exempted from the 24-percent EC duty since Greece became an associate member in 1962.

While there are no data on production and exports of canned fruit mixtures, some companies are packing fruit cocktail and similar mixtures. Fruit mixtures from Greece showed up in United Kingdom import data for the first time in 1980.

In Italy fresh fruit for canning represents about 10 percent of fruit production. Fruit mixtures, principally fruit cocktail,

account for one-third of the canned deciduous output—an estimated 65,000 tons of the canned deciduous output of nearly 186,000 tons in 1979/80. Fruit mixtures are primarily processed in the late fall and winter by mixing precanned ingredients with fresh winter pears (passa crassana). Since there is no processor subsidy for fruit mixtures, peaches for this purpose are first diced and canned in 5-kilogram containers and the subsidy is then collected. Even though the passa crassana is a lower quality pear than the William (known as the the Bartlett in the United States), the cost is also lower and it is available fresh for fruit mixtures after the principal canning season is over. The canned cherries are produced domestically, while the canned pineapple and seedless grapes are imported—the grapes from Cyprus and the pineapple from Kenya, the Ivory Coast, or Malaysia. In some years insufficient quantities of canned diced cling peaches are produced domestically during the regular canning period for subsequent production of fruit mixtures. Consequently some private canners import diced peaches from Greece.

Italy's two principal processing areas are in the Po Valley in the north and around Naples in the south. Also, there are new cling plantings in the area of Foggia and Matera on the Adriatic side of the Apennines.

Peach processing in northern Italy accounts for about 25 percent (25,000 tons) of the total fruit processed and is characterized by cooperatives, clingstone varieties, and "choice" grade. There are about 17 canners producing canned clings, of which 6 account for about three-fourths of total production. By contrast, southern Italy has some 200 private canners, of which 40 to 50 percent process peaches (70-80,000 tons). The principal canning varieties in the south are the old native "Vesuvio" and "Terzarole" peaches which are better than freestones for canning purposes but not as good as American clingstone varieties. Growers and canners in the south are slower to convert to cling varieties than those in the north, even though in doing so there would be improvements in quality and in the length of the harvesting and canning seasons. There is, however, some switching to California-type clings, but an increase in the total area devoted to peaches is not expected.

Future actions by the cooperatives in the Po Valley and the progress of new plantings near the Adriatic Sea in the south both bear watching. The cooperatives are moving to clingstone varieties for canning purposes. As long as good fresh markets exist, the independent growers in the north have little incentive to switch to processing varieties and become involved with processors. The area near the Adriatic Sea was not a part of the survey team's itinerary since the team members were unaware of clingstone plantings in this area prior to the trip. Reportedly, such plantings are currently quite limited and expanding slowly.

EC processing subsidies and minimum prices for peaches are excessively high. In some cases, minimum grower prices are more than twice as high as U.S. grower prices. In addition, the processing subsidy is paid on the gross weight of the canned product rather than on the peach content. This encourages Italian processors to pay even higher prices for the limited quantities of peaches available for processing. For the 1979/80 season, the minimum grower price in Italy was roughly $377 per short ton[1]; whereas the average grower price was about $477 per short ton[1] in the north and near the minimum grower price in the south. (In 1979, the average grower base price for clingstones in California was $150 per short ton, while the season average grower price was $179 per short ton.) Such excessive prices inflate the cost of orchards which are about triple the price per acre in California.

[1] Conversions based on 1979 conversion rate of 760 lira per U.S. dollar.

EC PROCESSING SUBSIDIES AND MINIMUM GROWER PRICES

The EC subsidy and minimum grower price scheme for fruits and vegetables for processing has a major effect on both Greek and Italian production of canned deciduous fruits. Italy, as a member of the EC, is the largest beneficiary of this scheme and Greece, in preparing for EC membership, adopted a similar system in 1979 but at lower minimum price and subsidy levels and with no quantity limitations.

The EC first introduced its subsidy scheme for fruit and vegetable processing in 1978. In that year, the scheme applied to five products: dried prunes, canned peaches preserved in syrup, tomato concentrates, peeled tomatoes, and tomato juice with a concentration of 3 to 7 degrees Brix. For the 1979/80 marketing year, the list of products was expanded to include: peeled frozen tomatoes, tomato flakes, tomato juice with a concentration of 7 to 12 percent, and William (Barlett) pears preserved in syrup, with the latter product limited to 57,000 tons. For the 1980/81 marketing year, cherries preserved in syrup were declared eligible for the subsidy scheme, with quantity limitations of 26,750 tons for sweet cherries and 49,140 tons for morello cherries. The quantity limitation for pears was increased to 74,000 tons for 1980/81.

In addition to the aggregate limitations for pears and cherries preserved in syrup, subsidy payments to individual processors are also limited to established percentages of their production in base years. For the 1980/81 marketing year, the limits for established processors were set at 102.94 percent of the 1978/79 level for William pears and 83.45 percent and 89.73 percent of 1979/80 levels for sweet cherries and morello cherries, respectively.

Each processor of William pears in 1979/80 was limited to 105 percent of 1978/79 production. Newly established processors are limited to 2 percent of the total quantity qualifying for subsidies within individual EC States.

The purpose of the processing subsidy scheme is to divert surplus fresh supplies to the processing industry and to price the end products competitively with those of non-EC suppliers.

Unfortunately, the subsidies are set at very high levels and, therefore, provide undue stimulus to EC production which is likely to lead to self-sufficiency and possibly to overproduction and eventual dumping on world markets.

To be eligible for processing subsidies, processors must enter into contracts with producers and show evidence they have paid producers at least the guaranteed minimum prices established by the EC Council for the raw products. Subsidies are calculated by taking a guaranteed minimum raw product price and adding a calculated cost for processing which is allegedly representative of such costs in the southern member States. The difference between these computed costs of production and the average c.i.f. price of comparable third country products is considered the processor's disadvantage vis-a-vis third country supplies. The subsidy is designed to compensate the processor for this disadvantage. Furthermore, the subsidy is paid on the gross rather than the net weight of the canned product; so the weight of the immediate container is included.

The history of EC minimum producer prices and processing subsidies for affected deciduous fruits is shown in the following table. The dollar equivalents per metric ton and case are only approximations due to variations in exchange rates and estimated case weights.

Table 1.—EC Minimum grower prices and processor subsidies for canned deciduous fruits preserved in syrup

Commodity	1978/79		1979/80		1980/81	
	Minimum grower price	Processor subsidy[1]	Minimum grower price	Processor subsidy[1]	Minimum grower price	Processor subsidy[1]
Peaches:						
ECU/metric ton[2]	286.30	218.20	301.30	276.90	315.80	260.60
US$/metric ton[3]	369.00	281.30	415.80	382.10	446.55	368.50
US$/case[4]	–	6.65	–	9.00	–	8.70
William (Bartlett) pears:						
ECU/metric ton[2]	–	–	281.30	264.10	294.80	231.60
US$/metric ton[3]	–	–	388.20	364.45	416.85	327.50
US$/case[4]	–	–	–	8.60	–	7.72
Sweet cherries, unpitted:						
ECU/metric ton[2]	–	–	–	–	664.00	262.90
US$/metric ton[3]	–	–	–	–	938.90	371.75
US$/case[4]	–	–	–	–	–	9.22
Sweet cherries, pitted:						
ECU/metric ton[2]	–	–	–	–	–	292.10
US$/metric ton[3]	–	–	–	–	–	413.05
US$/case[4]	–	–	–	–	–	9.93
Morello cherries, unpitted:						
ECU/metric ton[2]	–	–	–	–	746.00	258.20
US$/metric ton[3]	–	–	–	–	1,054.85	365.10
US$/case[4]	–	–	–	–	–	8.78
Morello cherries, pitted:						
ECU/metric ton[2]	–	–	–	–	–	311.10
US$/metric ton[3]	–	–	–	–	–	439.90
US$/case[4]	–	–	–	–	–	10.22

[1] Subsidy granted on the basis of the canned product including the weight of the immediate container. [2] European Currency Units (ECU) per metric ton. [3] ECU's converted to U.S. dollar equivalents on basis of the following simple monthly averages for June-October of each year: 1978 = $1.289, 1979 = $1.380, and 1980 = $1.414. [4] Cases of 24 No. 2 1/2's net. Gross weight minus weight of shipping carton is estimated at 52 pounds for peaches and pears, 54.7 pounds for unpitted sweet cherries, 51.2 pounds for pitted morello cherries, and 53 pounds for pitted sweet cherries and unpitted morello cherries.

December 1980

Commodity Programs, FAS, USDA

According to data reported to the EC Commission by member States, EC canned peach production rose from about 69,000 tons in 1977 (before the processor subsidy scheme), to nearly 160,000 tons in 1979. A large increase occurred in 1979 when processing subsidy payments based on can weight represented 92 percent of the minimum grower price. Realizing that this subsidy was too generous, the EC lowered the subsidies on both peaches and pears for the 1980/81 season, while raising the minimum grower prices.

To illustrate the magnitude of EC minimum grower prices and processing subsidies, the following table compares 1980 minimum grower prices and processing subsidies for peaches and

Commodity	Raw fruit			Canned fruit		
	Minimum EC grower price, 1980	Season avg. price to California growers, 1980[1]	EC minimum compared to California average	EC processor subsidy	California fob plant quotation[2]	EC subsidy compared to California fob
	U.S.$/Metric ton		*Percent*	*U.S.$/Case of 24 2-1/2's*		*Percent*
Peaches	446.55	207.25	215	8.70	13.80	63
Pears	416.85	231.50	180	7.72	16.15	48

[1] Basic bulk fruit at first delivery point. [2] Private label list prices for choice halves, heavy syrup (Sept. 1980).

pears with average 1980 grower prices and f.o.b. quotations in California.

EC peach growers are guaranteed minimum prices that are more than double the average prices received by their California counterparts and EC processors are granted subsidies equivalent to over 60 percent of California f.o.b. quotations for canned peaches. Additional information concerning grower prices and processor subsidies as they are applied in Italy and Greece can be found in the appropriate country sections.

In addition to excessive subsidy levels, other major concerns regarding the processing subsidy scheme for fruits are: (1) No production limits for eligible commodities other than for pears and cherries[1], (2) no verification of data submitted by member States for subsidy payments, (3) no allowance for the duties on imported canned fruits from third countries in the subsidy calculation, and (4) payment of subsidies on the gross rather than the net weight of canned products. Without modification of the scheme to correct these deficiencies, output and related EC financial obligations will continue to soar in the years ahead, particularly with the addition of Greece and the potential entry of Spain and Portugal.

[1] For the upcoming 1981/82 season, the EC Commission proposed production limits for all fruits and vegetables eligible for processing subsidies. However, the EC Council rejected such quantitative limitations, including those applied to pears and cherries. Instead, the Council directed the Commission to reduce the subsidy rates to the extent necessary to save 170 million ECU's (about $206 million) which is the projected savings that would have occurred if production limits had been adopted.

GREECE

GENERAL

Arable land, farm size, and farm labor are the principal factors limiting increases in agricultural production and efficiency in Greece.

LAND

According to the National Statistical Service of Greece, only 30 percent, or 9.9 million acres, of the total land area is arable. Approximately 22 percent of the arable land is currently irrigated, of which about 80 percent is found in the fruit and vegetable area. The following table summarizes land use in millions of hectares:

FARM SIZE

Two factors that have contributed to farm fragmentation are inheritance laws that permit equal distribution of land among

	Plains	Semi-mountainous	Mountainous	Total
Arable	2.2	1.0	0.8	4.0
Pastures	1.1	1.5	2.7	5.3
Forests	0.3	0.8	1.9	3.0
Other Uses	0.4	0.2	0.3	0.9
Total	4.0	3.5	5.7	13.2

Greece: Principal Producing Regions for Canned Deciduous Fruits

the owner's children and the custom of presenting daughters with marriage dowries. Consequently, almost three-fourths of all farms having a total area of 1 hectare or more are in the category of 1 to 5 hectares (2.47-12.35 acres) and consist of an average of 6.2 plots of about 1 acre each.

A classification of farms by size and average number of plots per farm is shown in the following table:

Size[1] *(hectares)*	Numbers *(thousands)*	Percent	Area *(million hectares)*	Percent	Avg. no. plots/ farm *(units)*	Average plot size *(hectares)*
1-5	593	73.2	1.50	43.2	6.2	0.41
6-20	207	25.6	1.64	47.3	11.0	0.72
21 or more	10	1.2	0.33	9.5	18.2	0.88
Total	810	100.0	3.47	100.0	7.6	0.57

[1]Excludes farm of less than 1 hectare.

SOURCE: National Statistical Service of Greece (1971 Census).

FARM LABOR

Demand for farm labor is highly seasonal, with shortages during harvesting periods and labor surpluses during off-seasons. An agricultural exodus, both to urban centers and other countries, during the past quarter of a century has significantly reduced the farm labor force and made a number of rural settlements no longer viable. According to an EC study entitled "Enlargement of the Community," the employed workforce of Greece actually contracted from 1961 to 1971 at an annual rate of around 0.9 percent, even though the unemployment rate declined appreciably over the same period.

According to the annual population estimate in 1979, there were just over 3 million people in rural Greece, including towns of less than 2,000 population. Only 5 percent were wage-earning farm laborers. There were slightly over 1 million farmowners, of which 73 percent (760,000) were principally engaged in agriculture and cultivated 85 percent of the country's arable land. Almost two-thirds of these farm owners were 45 or more years old and owned two-thirds of the land. A recent study by the Greek Ministry of Coordination states that the total actively employed population of Greece is a little over 3 million, of which 28.8 percent (865,700) are employed in agriculture.

EC MEMBERSHIP—TRANSITION MEASURES FOR GREEK FRUITS AND VEGETABLES

On January 1, 1981, Greece became the tenth member of the Economic Community. Following a 5-year transition period, Greece will receive the full benefits of the EC Common Agricultural Policy (CAP) for all fruits and vegetables, except for fresh and processed peaches and tomatoes, for which the transition period before full benefits are received is 7 years. While Greece already enjoyed duty-free access to EC markets for canned fruits and most other agricultural products as a result of its associate member status since 1962, other EC import restrictions, such as reference prices, sugar-added levies, import licensing, and countervailing charges, were not eliminated until full entry into the Community.

During the transition period, at the beginning of each marketing year, prices[1] of major fruits and vegetables in Greece will gradually be aligned with those prevailing in the EC. Except for fresh and processed peaches and tomatoes, these alignments will be achieved by narrowing the gaps by a fifth the first year and by a fourth, a third, and a half in subsequent years, with full alignment no later than December 31, 1985. For fresh and processed peaches and tomatoes, these alignments will occur over a 7-year period, beginning with a seventh of the difference in 1981. During the process of alignment, the remaining price differences will be made up by applying compensatory amounts to Greek produce entering other EC markets.

Before the first move toward price alignment, prices in Greece shall be fixed, taking into account the difference between average producer prices in Greece and in the EC-9 recorded over reference periods that vary by commodity. The EC recently announced that the basic and buying-in prices for Greek peaches, pears, table grapes, apples, lemons, oranges, mandarins, tomatoes, and cauliflower will be set at specified percentages of their respective EC-9 levels (common price). The price for fresh peaches will be set at 66.3 percent of the prevailing common price, fresh pears at 139.4 percent, table grapes at 114 percent, and apples at 100 percent. Similar relationships for minimum grower prices for industrial fruits and vegetables have not been announced.

For its part during the transitional period, Greece must adopt the EC common external tariffs and import regulations, apply the EC value-added tax (VAT), eliminate its special licensing procedures and export restitutions, and phase out bilateral trade (barter) agreements with the Eastern bloc countries. These bilateral agreements have been the principal instruments in maintaining Greece's important agricultural exports to Eastern bloc countries.

[1]Prices refer to basic, buying in, offer, and minimum prices as mentioned in the Greek Accession Document. (See the appendix.)

FRESH DECIDUOUS PRODUCTION

Fresh deciduous fruit production in 1980 is estimated at 877,000 tons composed of 45 percent peaches, 29 percent apples, 13 percent pears, 10 percent apricots, and 3 percent cherries. Peaches and apricots are the only deciduous fruits processed in any quantity. Production of fresh clingstones has expanded from virtually none in 1970 to a record 102,000 tons in 1980. Except for year-to-year variations, freestone production has shown no discernible trend since the midseventies.

While the bulk of the clingstones are processed in normal years, the estimated proportion of the freestones processed has varied from less than 10 percent to 20 percent of the crop. According to an official at the Greek Exporters Association of Fresh Agricultural Products, at least 25 percent of the total peach crop must be processed in order to maintain the fresh market price. With cling peach production on the rise, production and processing of freestone varieties with a low market potential are expected to decline. In 1980, 40,000 tons of Albertas and 2,000 tons of Hales were purchased and destroyed by the Government in order to support the price of the large freestone crop. These were peaches that would normally have been processed if there had not been a record clingstone crop.

Production trends for the other deciduous fruits have been nearly flat since the midseventies, with a slight decline in cherry production. Due to the limited quantity of good arable land, a significant area expansion in one crop almost ensures a decline in the area of another agricultural crop, although not necessarily in production as yields increase. For example, freestone area declined roughly one-fourth between 1976 and 1980, while production remained at nearly the same level.

CANNED DECIDUOUS FRUIT OVERVIEW

Canned deciduous fruit output increased nearly six-fold between 1970 and 1980, from about 31,000 tons to a record 185,000 tons. Canned peach output accounted for most of the increase. For 1980, estimates of canned output by type of fruit are: 40,000 tons of freestones, 95,000 tons of clingstones, 40,000 tons of apricots, and 10,000 tons of "other" fruit, which is not defined. In recent years, "other" fruit is considered principally fruit mixtures and pears, but strawberries are also included and were the major component in earlier years.

Apricot production is located in the south (Peloponnesus). The principal peach producing area is in the north (Macedonia), with another area in Thessaly around Larissa. Thus, there is some trucking of fresh apricots to canneries in the north and of peaches to canneries in the south and west. When crops are large, the Government provides transportation subsidies for this purpose.

Although there is some disagreement on the definition of canneries for accounting purposes, it is believed that there are 77 canning plants (units) in Greece that process fruit—68 privately operated units and 9 co-op units. A breakdown of these plants by area and type follows.

Item	Macedonia	Peloponnesus	Thessaly	Epiros	Continental Greece
Private	38	22	5	1	2
Co-op	8	1	0	0	0
Total	46	23	5	1	2

According to one source, 68 of these units process peaches, but only 20 units do so exclusively. The fresh processing capacity of the 77 units is estimated at 110,000 to 120,000 tons of peaches, 35,000 tons of apricots, and 12,000 tons of vegetables (excluding tomatoes, of which an estimated 1.3 million tons can be processed). Of the 77 units, 31 are considered to have a processing capacity of less than 2 tons per hour. Most of the other 46 plants have a capacity varying from 2 to 7 tons of fresh fruit per hour.

There are no uniform, established grades and standards in Greece for canned fruits. Individual canners decide what they will accept but are obligated to pay minimum grower prices (where applicable) on fruit accepted for processing.

There appear to have been no long term contracts or even advance purchase agreements between canners and growers. Canners have bought available fruit as needed. This practice will change now that Greece is a member of the EC, which requires contracts with growers in order for canners to receive processing subsidies.

Exports of canned deciduous fruits rose from about 29,000 tons in 1970 to a record of around 165,000 tons in 1978. Canned peach exports accounted for approximately 72 percent of the 1978 total, with most of the remainder consisting of canned apricots. Definitive export data by country of destination and fruit type are not published. However, the EC and West Germany in particular, purchase the bulk of Greek canned deciduous exports.

GOVERNMENT SUPPORT POLICIES

One year after the EC instituted its processing subsidy scheme for peaches, prunes, and tomato products, Greece applied a similar system for peaches and apricots. Before that time (1979), Greece used a flexible combination of supports designed to protect the grower and support the marketing and disposal of the fresh fruit. Some of these measures also affected peach processors. For instance, in

1976, when Greece produced a bumper peach crop, 60 percent of a processor's canned peach production had to consist of two freestone varieties, Alberta and Red Haven. In addition, processors: (1) were required to pay growers a minimum price of 5.00 drachmas per kilogram for all peaches purchased, regardless of variety, (2) received a transportation subsidy of 0.30 drachmas per kilogram for Red Haven and Alberta varieties transported to processing plants in the Peloponnesus and Epirus areas, (3) received a subsidy of 1.00 drachmas per kilogram for all Red Haven peaches purchased for canning, (4) received a subsidy of 0.30 drachmas per kilogram for pre-selection expenses for Red Havens and Albertas purchased for processing, (5) were required to purchase and put into cold storage any Red Havens that could not be immediately processed in order to meet the canned production quota for Red Havens, and (6) received a subsidy of 3.50 drachmas per kilogram when these excess Red Havens were removed from cold storage.

Discovering that clingstones make a more marketable canned product than canned freestones, the Greek Government did not require processors to can surplus freestones after 1976. Also, minimum grower prices for freestones for processing have been lower than those for clingstones since 1976.

A comparison of the processing subsidy scheme utilized during 1979 and 1980 is shown in table 2.

The deemphasizing of freestones for processing in favor of clingstones is evident in that both the minimum grower price and processing subsidy for clingstones were increased more in 1980 than those for freestones. The increase in the processing subsidy per metric ton for clingstones was triple that for freestones (2,100 vs 700 drachmas) and, in U.S. dollar equivalent, the 1980 subsidy for freestones actually declined.

For the 1979/80 season, processor subsidies for peaches were originally set at 5,800 drachmas per metric ton for clingstones and 4,800 drachmas for freestones. When these subsidies were subsequently increased to 6,200 and 5,500 drachmas per ton, respectively, it was the Government's intention to increase the minimum grower price from 9,000 drachmas to 11,000 drachmas per ton. However, this action was never taken because peach canners were already paying growers an average of 13,000 drachmas.

PEACHES

Area

Area statistics are only estimates of total plantings. There is no breakdown between bearing and nonbearing areas. Clingstone area increased from roughly 170 hectares (420 acres) in 1970 to around 5,000 hectares (12,350 acres) in 1976, with an estimated 1.73 million trees. The 1980 clingstone area is estimated at 6,417 hectares (15,850 acres).

The principal peach-producing area in Greece for both clingstones and freestones is Macedonia, where about 90 to 95 percent of production takes place. Areas around Katerini and Larissa account for most of the remainder. Approximately 90 percent of clingstone peaches are produced in Macedonia (concentrated between Veria to the west and Alexandria to the east) with another 6 percent produced in the Thessaly Valley. Clingstones are also being planted in the area just west of Larissa at a rate of 40 to 60 hectares per year.

Table 2.–Minimum Grower Prices and Processor Subsidies for Peaches and Apricots, Canned or Frozen

Commodity	1979		1980	
	Minimum grower price	Processor subsidy[1]	Minimum grower price	Processor subsidy[1]
Clingstones for canning or freezing				
Drachmas/metric ton	9,000	6,200	12,500	8,300
US$/metric ton[2]	243	168	291	193
US$/case[3]	–	3.95	–	4.55
Freestones for canning or freezing				
Drachmas/metric ton	8,000	5,500	10,500	6,200
US$/metric ton[2]	216	149	244	144
US$/case[3]	–	3.50	–	3.40
Apricots for canning or freezing				
Drachmas/metric ton	12,500	4,600	15,000	–
US$/metric ton[2]	338	124	349	–
US$/case[3]	–	2.92	–	–

[1]Subsidy granted on basis of canned product including weight of immediate container. [2]Drachmas converted to US dollar equivalents at the following rates: US dollar=37 drachmas in 1979 and 43 drachmas in 1980. [3]Cases of 24 No. 2-1/2's net, converted from estimated 52 lb. cases (gross weight minus weight of master carton).

According to a study released by the Ministry of Agriculture in October 1977, the varietal composition of the 1976 clingstone area was as follows:

Variety	Hectares	Acres	Percent
Halford	1,572	3,883	31.4
Fortuna	1,437	3,550	28.7
Carolyn	767	1,895	15.3
Dixon	609	1,504	12.2
Klamt	158	390	3.2
Vivian	148	365	3.0
Starn	132	325	2.6
Loadel	61	150	1.2
Jugerman	56	138	1.1
Other	60	150	1.3
Total	5,000	12,350	100.0

The most recent available data on orchard size pertains to 1973 clingstone peaches. The study reported that 32 percent of the clingstone orchards were no larger than 1 acre, 34 percent were 1 to 2.5 acres, 27 percent were 2.6 to 5.0 acres, and the remaining 7 percent were larger than 5.1 acres.

The same study showed 1976 clingstone peach production by the following time intervals:

Up to July 15	6.15%
July 15-30	36.16%
Aug. 1-15	25.16%
Aug. 16-31	30.27%
Sept. 1-15	2.26%

During the period when the Government was subsidizing clingstone plantings (1968-72), plantings of both clingstones and freestones increased, raising the suspicion that some freestone plantings also benefited from the subsidy. Although the Government is no longer actively encouraging peach plantings, there has been a surge in peach tree plantings since 1975/76 due to good returns to growers and in anticipation of EC membership. New plantings of all peach varieties (freestone and clingstone) jumped from about 100,000 trees in 1975/76 to 406,000 trees in 1976/77. Estimates for 1977/78 and 1978/79 are 384,000 and 260,000 trees, respectively. There is no breakdown of these plantings by variety, but most estimates are that 65 to 70 percent of recent plantings have been clingstone varieties. The Deciduous Fruit Institute is promoting diversification by suggesting Loadel as a replacement for Fortuna, Baby Gold 6 for Dixon, Evert for Halford, Andross for Carolyn, and the use of Starn as a late variety.

The area devoted to freestone varieties in 1980 was about 19,950 hectares (49,275 acres). Freestone area in 1976 was roughly one-third larger at 26,580 hectares (65,650 acres). The principal varieties of freestones are: Red Haven, J. H. Hale, Elberta (late), and Dixie Red. Less prominent varieties are Fair Haven, Cardinal, Elberta (early), June Gold, Springtime, Early Red, Armgold, Morettini, Sun Haven, and Redskin.

Fresh Production

Total fresh peach production (including nectarines) averaged 266,000 tons during 1971-76, with about 78 percent utilized fresh, 17 percent canned, and 5 percent left on farms. Fresh utilization was roughly half domestic and half export. Peach production in 1980 reached a new record, estimated at 397,000 tons.

Freestone peach production increased from 205,000 tons in 1971 to a peak of 297,000 tons in 1976. The production estimate for 1980, including 10,000 tons of nectarines, is 295,000 tons. Nectarines are new in Greece and plantings are increasing. Nectarine production was estimated at 4,000 tons in 1978 compared to 864 tons in 1976.

Clingstone production, which was only 2,000 tons in 1971, reached an estimated 102,000 tons in 1980. New records were attained each year, except for 1979 when severe frosts reduced production to 46,000 tons. In 1978, when clingstone production was 70,500 tons, the Ministry of Agriculture reported production by principal varieties as follows: Fortuna—19,420 tons, Halford—15,800 tons, Dixon—11,100 tons, Carolyn—9,060 tons, Vivian—4,550 tons, and Klamt—3,350 tons. In 1980, production of the four major varieties was reported as: 28,615 tons of Fortunas, 23,215 tons of Halfords, 19,400 tons of Carolyns, and 10,815 tons of Dixons.

Production is estimated on a field yield basis. Since there are no official data for commercial production, meaningful yields cannot be calculated. The only yield estimates obtained during the survey were for clingstones in the principal producing area. These estimates were 8 metric tons per acre for clingstone trees that were 5 years old or more. Yields will increase as the newer plantings reach full bearing age. Maximum yields are normally attained by the seventh year and begin to decline after the fourteenth year. The peach trees are usually removed after they reach 18 years of age.

Cultural Practices

The average grower has only 5 acres of peach trees (freestone and clingstone). According to the study based on 1973 data, only one-third of the peach growers had more than 2.5 acres of clingstones and only 7 percent of the growers had clingstone plantings larger than 5 acres. The average number of clingstone trees per acre is 160.

Trees are sprayed 9 to 11 times during the year, including about every 15 days during the nondormant period. Captan is the principal fungicide used to control curley leaf and brown rot. Other fungicides used are Ziram, Zineb, Folpet, and Benomil. Consequently, even though it does rain during the summer, fruit loss due to rain during the harvest period is relatively light. Insect control sprays such as organic phosphate insecticides are used to control Anarsia sp., Carpocapsa sp., and (in the south) Ceratitis capitata (Mediterranean fruit fly). One grower interviewed during the survey had already applied seven sprayings by mid-May, including two during the dormant stage. One paper also

mentions tree chlorosis and the virus "Sharka" as factors affecting peach quality.

Fertilizer is normally applied twice a year. One application is nitrogen and the other is a mixed fertilizer. However, it is understood that too much nitrogen in the soil results in a red flesh color in certain varieties, particularly Baby Golds 8 and 9 and Dixons.

Thinning of the fruit on the tree is often much less than the 60 to 70 percent removed in the United States in a year of normal fruit set. Consequently, there are more small peaches. The quantity of fruit stripped from the tree depends upon the individual grower.

Clingstone trees are normally picked 3 times during the season, but sometimes only twice, depending on the variety and the weather's effect on maturity. However, there are still growers who harvest all of the fruit in one or two pickings without a high regard for maturity. Since practically all fruit is harvested manually, there is a definite labor shortage during this period. Although mechanical harvesting is encouraged, the Government provides no assistance in this area other than some general research. Any progress in mechanical harvesting will depend upon individual processors. One processor said pickers were paid 700 drachmas (roughly $18.50) for an 8-hour day during the 1979 season. However, since so many of the orchards are so small, family members often provide most or all of the labor requirements. One source estimated that growers who had no hired labor cleared about half of the 13,000 drachmas per ton received in 1979 or about $170 profit per ton.

Grower-Canner Relationships

There are no formal long-term purchase contracts or even advance purchase agreements between canners and growers. Canners appear to purchase peaches according to fruit availability and plant capacity or their determined needs.

Growers who do their own harvesting generally pack and place crates provided by the processor alongside roads for pickup. However, some do deliver to canneries. In other cases, processors provide the picking crews.

While quality and price are negotiated, canners are obligated to pay growers at least the minimum producer prices established by the Government for clingstones and freestones in order for them to be eligible for processing subsidies. However, the minimum grower prices are not based on any grade, but on what canners accept. Since there are no Government inspectors at the receiving station, a canner must decide whether to reject whole deliveries, portions thereof, or to accept the fruit at a negotiated price that is equal to or above the official minimum price after discounting for low quality.

Growers usually receive a partial payment upon pickup or delivery of the fruit and the remainder at a later date—sometimes much later depending upon the canner. A common initial payment is 30 percent of the estimated total price. Prices may vary by date of delivery.

Clingstones are more expensive than freestones in Greece. This is due to the limited supply there and the fact that most root stock and equipment are imported. The Greek Government continues to set higher minimum grower prices and subsidies for clingstones than for freestones and canners are willing to pay growers even higher prices for short crops. In 1979, canners were paying growers nearly 45 percent above the minimum price after the Government increased the processing subsidy.

Processing

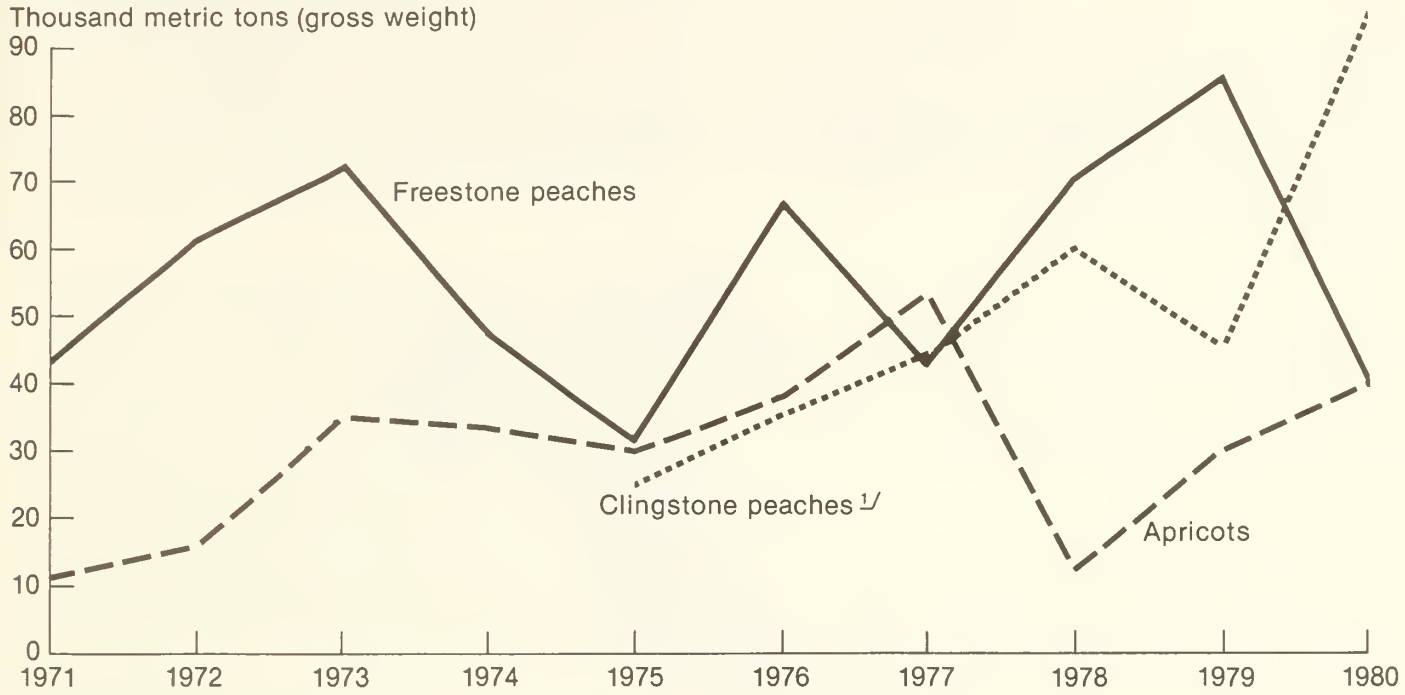
The consensus is that the current processing capacity for peaches in Greece is around 110,000 to 120,000 tons of raw product (clingstones and freestones). Thus, canned peach production would be limited to 140,000 to 150,000 tons gross weight or 6.0 to 6.4 million cases.

In the absence of any reliable data on clingstone-type pitters, there is no consensus on the current processing capacity for clingstones. Some industry officials estimated pitting capacity at between 50,000 and 60,000 tons of fresh clings. However, these estimates were apparently surpassed by actual production in 1980 and fresh cling processing capacity must exceed 75,000 tons. FMC and Filper account for most of the pitters, but there are other types. For example, one plant on the itinerary used Italian equipment (Zachmi wire-pitters) to process clings. The record 95,000 tons of canned clings reportedly produced in the 1980 season would require roughly 75,000 tons of fresh clings compared to the previous high of 49,000 tons utilized in 1978.

The Agricultural Bank of Greece has financial interest in the cooperatives and provides loans to other canners. A bank source estimated that as many as 68 canning units may process peaches, but many are either small or occasional peach canners and at least 13 should be closed. Only 20 of these units can peaches exclusively. A pitter representative stated that there are 20 to 25 good-sized canneries processing peaches, of which only six process clingstones exclusively and seven process only freestones.

There are no Government or industrywide standards. Although about 90 percent of all canners are members of the Greek Canners Association, there has been no agreement to establish even minimum requirements for canned peaches. Consequently, individual canners set their own standards with the result that the bulk of the canned peaches are "standard" quality. One knowledgeable source indicated only a half dozen or so canners pack good-quality peaches. The reasons are that many growers deliver less than an ideal fresh product and that most canners contribute to a poor canned product by: (1) removing pits improperly which leaves pieces remaining in the peach, (2) using green or overripe fruit or fruit with blemishes, and (3) not cutting the peach at the seam or by producing halves of unequal size. In spite of the present problems with quality, Government and industry officials are stressing quality at conferences and seminars and there is no doubt that quality is improving as more canners realize the problems of moving

Greece: Production of Major Canned Fruits, 1971-1980



1/ Clingstone production data unavailable prior to 1975.

larger quantities of low quality peaches. It should be noted that three canners opened cans of clingstones for the survey team that were comparable to California "choice" and all were excellent in appearance and taste.

The bulk of the processed peaches are halves or slices packed in cans—very little is glass packed. Can sizes are one-half, 1, 3, and 5 kilograms, with the 1-kilogram can being the most popular export size. The cans are manufactured locally by the National Can Company and, at the time of the survey, the cost to the processor was about 8 drachmas (19¢) per 1-kilogram can (25-35 percent of the cost of the end product). However, import duties on tin plate are rebated when the product is exported. The average processing yield is 1,300 cans (No. 2 1/2's equivalent) of clings per metric ton of raw fruit. The equivalent for freestones is 1,150 cans and for apricots 1,600 cans. An Italian source indicated the drained weight of canned clings from Greece is 450 grams for a No. 2 1/2 size equivalent, compared to 480 grams in northern Italy.

The Greek Canners Association estimates that at least 85 percent of the canned peaches have sugar added. The remainder is packed in water. All sugar factories in Greece are Government-owned and none of them produce liquid sugar, sucrose, or dextrose mixtures. Therefore, canners must melt crystal sugar in the canneries. At the time of the survey, the domestic price of sugar was slightly over 40 percent higher than the world price. However, sugar for export products can be purchased from Government factories at the prevailing world price. During the 1979/80 season, canneries paid approximately 22 drachmas per kilogram (24¢/lb) for sugar used in canned fruit sold domestically and 16 drachmas per kilogram (17¢/lb) for sugar in exported canned fruit.

The relative costs of components used to produce a case of canned peaches were obtained from a canner and from the Agricultural Bank of Greece. Their estimates were as follows:

Item	Agricultural Bank of Greece (14-16 degrees Brix)	Private Canner (light syrup)
	Percent	
Fresh peaches	37.3	39
Sugar	7.4	6
Packaging	31.7	30
Labor	14.0	9
Energy	1.9	3
Losses	1.4	–
Interest	6.3	–
Overhead	–	13
	100.0	100

The principal difference between the two estimates is in the definition of labor. The bank apparently includes the managerial and office staff in the labor component; whereas the canner included them in overhead, along with interest, losses, and similar items.

Exports

Since domestic consumption of canned peaches and other canned fruit is very low and there is no intention to promote consumption, production must depend on exports. Prior to 1978, canned peach exports averaged nearly 90 percent of the canned pack. However, the poorer quality production is proving increasingly difficult to move. At the time of the survey in May, 1980, industry sources estimated that there were 600,000 to 800,000 cases of unsold, low quality peaches.

Greece does not publish exports of canned peaches by country of destination; although, as a member of the EC, this is expected to change in 1981. The record 118,000 tons exported in 1978 was apparently exceeded in 1980. The EC receives about 90 percent of Greek canned peach exports. The Middle East and Eastern Europe take most of the remainder.

Although exports to West Germany (the traditional market) have been relatively stable in recent years at 2.3 million cases, exports to other markets are growing, particularly to the United Kingdom and France. According to U.K. import statistics, the first recorded imports of canned peaches (16° Brix) from Greece occurred in late 1976. By 1979, these imports had increased to 356,000 cases. A comparison of U.K. imports of canned peaches for 1980 with 1979 shows that imports from Greece were up 15 percent in spite of a drop in total imports of nearly 11 percent. Unlike West Germany, the United Kingdom is a quality market which indicates that Greece is exporting more canned peaches of good quality. There is a push by Greek exporters and U.K. importers to increase canned peach exports to that market, with high expectations. One source at the Greek Canners Association expects Greece to have a third of the U.K. market before the end of this decade and expects the processing subsidy for freestones to be reduced or eliminated in order to encourage the canning of the higher quality clingstones. Another source projected that Greece eventually could capture half of the U.K. canned peach market.

Outlook

Based on trees already planted, canned cling output should increase an average of 10 percent annually for the next 5 years. Canned clings will account for an increasing share of the total peach pack, while the proportion of freestones declines. Quality will also improve, with an increasing share of the pack meeting "choice" standards. Not only is Del Monte producing its own brand in Greece, but the team also visited a canner that packs for the Libby label. Although probably overly optimistic, a contact at the Greek Exporters Association of Fresh Agricultural Products estimates that, by the end of the EC transition period for Greek peaches (1987), Greece will be producing about 600,000 tons of fresh peaches of which 40 percent will be processed, and that 75 percent of those processed will be clingstones (180,000 tons of fresh clings). There is no doubt that the supply of clingstones will be increasing. The only questions concern quality and canning capacity, and most officials in the industry believe that private investment will provide the needed additional pitting and/or processing capacity, but if it does not, the Government will create the necessary incentives.

Unless the EC reduces its processing subsidy or limits it by quotas, serious competition among European peach producing countries could develop. With Greece, Italy, and Spain increasing their production, other traditional canned peach exporters such as the United States, South Africa, and Australia will be squeezed out of the EC markets—unable to compete with equal quality. In addition to the subsidy disadvantage, these non-EC producers are faced with higher transportation costs and a 24-percent import charge. With Greek output on the rise and dependent on export markets, it appears inevitable that Greece will be looking for new markets and competing for larger shares of existing markets. Excepting unforeseen events, Greece will become the leading world exporter of canned peaches.

FRUIT MIXTURES

Fruit cocktail is a new but growing item in Greece. Production and export data for fruit cocktail are unavailable. Pineapple and cherries for fruit cocktail are imported. The other ingredients are available domestically.

Although Greece produces and exports fresh cherries, there are no facilities for brining or dyeing. The dyed cherries are imported from Italy. The pineapple slices are imported principally from Thailand and South Africa.

Unlike canned peaches, domestic demand for fruit cocktail is considered to be reasonably good and local production should result in increased consumption. Nevertheless, small quantities are already being exported. U.K. import data showed Greece as a country of origin for "fruit cocktail/fruit mixtures" for the first time in 1979. The United Kingdom imported 39,394 cases from Greece in that year and 32,483 cases in 1980. Imports of "fruit cocktail/salad" from Greece showed up in the Netherlands statistics in 1978. Imports from Greece were 42,487 cases in that year and increased to 53,032 cases in 1980. A recent U.K. trade journal article quoted a U.K. importer as saying, "We have been pleased with the quantities of Greek fruit cocktail we bought so far—and I believe this could be a real area for growth." However, it should be noted that Greece will encounter stiff competition for trade in this item from Italy which has the advantages of precedence in markets and greater production.

Italy: Principal Producing Regions for Canned Deciduous Fruits

ITALY

GENERAL

The importance of agriculture in Italy is decreasing in terms of its contribution to GDP, now roughly 7 percent. In general, agriculture and industry is efficient in the north, but less efficient and dynamic in the south.

LAND

Cultivated land has declined from 15.8 million hectares in 1960 to about 12.3 million in 1977. According to the Annuario Statistico Italiano, 1978 edition, land classified as agricultural and forests in 1976 was as follows (in thousands of hectares):

Sown area	Fruits and vines	Permanent pasture	Home gardens, nurseries, etc.	Forests	Other[1]	Total
9,306	2,969	5,176	73	6,313	3,191	27,028

[1]Includes abandoned land, farmyards, buildings, roadways, ornamental parks and gardens, etc.

While commercial tree and vine crops were grown on an estimated 2,921,000 hectares in 1978, deciduous fruit trees only occupied roughly 230,000 hectares.

FARM SIZE

The Annuario Statistica Italiano, 1978 edition, provides the following breakdown of the number of farms and agricultural concerns in 1975 by size of landholdings and type of terrain:

The following data does not include noncommercial farms and concerns of less than 1 hectare if commercial production is less than 250,000 lira. The data does include the forest area of concerns that are also involved in animal husbandry, which is principally responsible for the large amount of area in tracts over 100 hectares located in mountainous and hilly regions.

According to the 1971 agricultural census, there were roughly 376,000 farms (10.4 percent of the total) producing fresh

Hectares	Mountainous		Hilly		Plains		Total	
	Number	Area	Number	Area	Number	Area	Number	Area
Under 2	207.5	248.5	535.5	611.3	335.4	362.1	1,078.5	1,221.9
2.1-5.0	199.8	666.1	394.2	1,315.0	198.6	652.7	792.6	2,633.8
5.1-10.0	109.6	777.1	197.5	1,411.3	111.3	800.6	418.3	2,989.0
10.1-20.0	54.6	760.4	96.4	1,356.8	65.9	930.3	216.9	3,047.4
20.1-30.0	15.2	371.2	28.0	694.0	20.9	511.6	64.1	1,576.8
30.1-50.0	9.7	370.3	21.3	823.2	14.4	548.2	45.4	1,741.7
50.1-100.0	5.9	407.1	14.3	999.6	8.8	608.8	29.1	2,015.4
Over 100	5.6	3,675.5	9.2	2,533.2	4.5	966.6	19.3	7,175.3
Total	608.0	7,276.2	1,296.4	9,744.2	759.8	5,380.9	2,664.2	22,401.3

fruit. These farms were mainly in the two categories of less than two hectares (under 5 acres) and 2 to 5 hectares (approximately 5-12 acres). Fruit farms in the Emilia-Romagna province are the largest, while those in Campania province are the smallest.

FARM LABOR

Agriculture employs about 15 percent or 2.9 million of the labor force. Since the bulk of the fruit is produced on small, independent family farms, hired labor requirements are minimal. Although somewhat larger than the average, one typical general farming operation visited by the survey team in the Po Valley had a total area of 50 acres, including 10 acres of peaches and nectarines, and 16 acres of grapes. This well-managed farm was operated by a father and his 3 married sons with several school-age children. There was sufficient family labor.

FRESH DECIDUOUS FRUIT

In terms of area utilized, the principal deciduous fruits, in order of importance in 1979, were: peaches, apples, and

pears. The total area (bearing and nonbearing) by type of deciduous fruit is outlined as follows (in hectares):

	1968	1978	1979
Peaches	79,451	88,795	90,592
Apples	69,932	69,100	70,835
Pears	72,143	48,500	47,741
Apricots	8,877	9,621	9,668
Plums	4,516	8,039	8,310
Cherries	3,181	5,665	5,665
Total	238,100	229,720	232,811

Deciduous fruit area and production expanded rapidly during the 1950's and 1960's, resulting in large surpluses and uprooting programs to correct the situation. Apple area peaked in 1965 at over 82,200 hectares and was cut back to 69,000 to 70,000 hectares, where it has stabilized. Peach area reached nearly 91,000 hectares in 1966 and was reduced to less than 79,500 hectares (1968) before resuming its upward trend. Pear area exceeded 72,100 hectares in 1968 and has since fallen to less than 48,000 hectares (1979).

While thousands of hectares of fruit trees (mainly pears) were uprooted in the late 1960's, fresh deciduous fruit production was nearly as large in 1976 (5.54 million tons) as the record 5.56 million tons produced in 1970. This was due to the adoption of more rational cultivation techniques and the wider use of higher yielding varieties. Peaches, apples, and plums reached record production levels in 1976 of 1.45, 2.14, and 0.17 million tons, respectively. Apricots and cherries have not exceeded their earlier records in 1970 and 1971, respectively. Pear production (1979) has plummeted 44 percent from the 1970 record of nearly 1.9 million tons, due principally to the reduction in planted area.

Fresh deciduous production for 1980 is estimated at about 4.9 million tons, making the 1976-80 average 4.91 million tons. In 1980, production consisted of 39 percent apples, 27 percent peaches, 26 percent pears, 3 percent plums, 3 percent cherries, and 2 percent apricots. Peach production surpassed declining pear production in 1979 to take over second spot. Winter pears, particularly the Passa Crassana variety, are losing consumer acceptance and are on the decline; while production of William (Bartlett) and Guyot pears is rising.

During the 1980 season, about 20,000 tons of peaches were removed from the market (largely from the south) and sent to distilleries. Also, large quantities of Passa Crassana pears were reportedly sent to distilleries rather than to cold storage by grower cooperatives because of the increasing consumer dissatisfaction with this variety.

CANNED DECIDUOUS FRUIT OVERVIEW

Unfortunately, there is very little solid data concerning the Italian canning industry. There is no official source of data for production, consumption, or stocks of canned fruits in Italy. The Agricultural Counselor's office in Milan provides estimates based on discussions with industry and trade contacts as well as on official estimates of the quantities of fresh fruit produced for the processing industry. Export and import statistics are published.

Roughly 10 percent of fresh deciduous fruit production is processed. According to the Italian processing industry association, processors used about 510,000 tons of fresh deciduous fruit in 1979 to produce fruits in syrup or water, juices, jams, candied fruit, and similar products. Canners' utilization of fruit was expected to decline 5 percent in 1980.

Apples account for about half (258,000 tons in 1979) of the fresh fruit processed, with roughly 60 percent used for nectars, 25 percent for solid pack, and 15 percent for dehydration. Since Italy is a large producer of fruit juices and nectars, there is no direct comparison between the quantities of fresh fruits utilized by the processing industry and the production of canned fruits. Figures on utilization of fruit by end product are not available.

While total canned fruit production varies from year to year, the recent 5-year production trend is flat, with the 1976-80 average figured at 152,800 tons. While there are no clear-cut trends in canned fruit output in recent years, peach and pear outputs appear to be rising in response to the EC processing subsidy scheme. The Italian canning industry is clearly benefitting from these subsidies, even to the point where some canners have begun using imported semiprocessed fruit to meet their production requirements.

Canned deciduous output in 1980 is estimated at 161,000 tons, consisting of 34 percent fruit mixtures, 27 percent pears, and 31 percent peaches. The remainder is principally cherries. Fruit cocktail accounts for the bulk of the fruit mixtures, and canned fruits are primarily packed in syrup. Some fruits that are canned for later use in the production of fruit mixtures, jams, and baby fruits are water packed. However, it is unlikely that fruits eligible for processing subsidies would be packed in water since the subsidy only applies to fruits packed in syrup.

There are two principal deciduous fruit processing areas in Italy—the Campania region in southern Italy, and the Emilia-Romagna region in the north. In Campania, fruit canning is concentrated along the Mediterranean Coast; while in Emilia-Romagna, it is concentrated in the eastern and southern portion of the Po Valley.

Campania was the original deciduous canning region and still accounts for over half of canned deciduous production. Campania produces virtually all of the canned cherries and processes roughly three-quarters of the peaches. This region is still dominated by many small, independent canneries (approximately 200) that are either reluctant or unable to expand and modernize.

Since the Emilia-Romagna region is a relatively new canning area, the industry is dominated by cooperatives with large, modern plants. Conserve Italia is an association of such cooperatives representing 10 processing cooperatives and 18-20 grower cooperatives with approximately 40,000 growers and

220,000 hectares. It's cooperative processors produce canned peaches for many companies for direct marketing, including Libby. Del Monte has a processing plant located in this region.

The capacity of the plants in Emilia-Romagna is greater than the fruit available for processing due to strong competition for fresh fruit for export to other EC countries. This, coupled with the lucrative processing subsidy, results in the transport of fresh fruit for canning from the southern Italian producing regions and even in the importation of some canned fruit for the production of fruit cocktail. Short supplies are particularly true in the case of cling peaches which are not grown in sufficient quantities in the Po Valley to meet canner requirements. A 1979 report states that the Italian canning industry has been operating at about 60 percent capacity since 1977/78.

An interesting sidelight concerning the food processing industry in Italy is the state-controlled conglomerates, like SME, SOPAL, and SPA, that compete with private firms. SME, for example, owns 80 percent of a company called Cirio, the largest vegetable canning concern in Italy and, reportedly, the biggest employer in the food industry in the south. The other 20 percent of Cirio is composed of approximately 36,000 private share holders. Cirio also cans fruit, including peaches in heavy syrup (18-20° Brix) and fruit cocktail without the cherries, since dyed cherries cannot be sold in Italy. Some Italian processors apparently do, however, produce cocktail with dyed cherries for the export market.

Canned deciduous fruit exports were at a record high in 1979, including 57,296 tons of fruit mixtures, 40,293 tons of canned pears, 30,965 tons of canned peaches, and 5,777 tons of cherries. (See the appendix for export data in thousands of cases.) Exports of canned peaches jumped tenfold during the past decade, while exports of fruit mixtures have increased five times. Exports of both canned pears and cherries have dropped from their 1976 highs. The other EC countries took over 80 percent of Italian canned deciduous fruit exports, with West Germany, France, and the United Kingdom being the principal markets.

GOVERNMENT SUPPORT POLICIES

Since Italy is a member of the EC, the principal support policies for fruits and vegetables are established by the EC Council in Brussels. The minimum prices and processing subsidies applicable to peaches, pears, and cherries are converted from European currency units (ECU) to Italian lira based on an exchange rate known as "green rate" parity, which differs from the normal rates applied to trade. The use of the green rates and periodic adjustments thereto complicates comparisons and runs counter to normal exchange rate revaluations and devaluations.

Table 3 provides minimum grower prices and processing subsidies for peaches and William pears in Italian lira and in U.S. dollar equivalents, for 1978/80:

Table 3.–Minimum Grower Price and Processor Subsidies for Peaches and Pears Preserved in Syrup

Commodity	1978		1979		1980	
	Minimum grower price	Processor subsidy[1]	Minimum grower price	Processor subsidy[1]	Minimum grower price	Processor subsidy[1]
Peaches:						
Lira/metric ton	295,000	225,000	316,010	290,420	365,640	301,720
US$/metric ton[2]	368.75	281.25	415.80	382.10	446.45	368.40
US$/case[3]	–	6.65	–	9.00	–	8.70
Pears:						
Lira/metric ton	–	–	295,000	277,040	341,310	268,140
US$/metric ton[2]	–	–	388.15	364.50	416.75	327.40
US$/case[3]	–	–	–	8.60	–	7.70

[1]Subsidy is granted on the basis of the canned product, including the weight of the immediate container. [2]Dollar equivalents are converted from European Currency Units. The derived "green lira" rates per U.S. dollar are as follows: 800 in 1978, 760 in 1979, and 819 in 1980. [3]Cases of 24 No. 2-1/2's net, converted from estimated 52 lb. cases (gross weight minus weight of master carton).

As a percentage of minimum grower prices, processor subsidy payments for peaches were 76 percent in 1978, 92 percent in 1979, and 83 percent in 1980. When calculated on actual peach content (drained weight basis), processor subsidies more than cover minimum grower prices. These high subsidy levels create competition among canners for limited supplies and result in even higher prices to growers. Average grower prices in northern Italy were 400,000 lira/ton ($477/short ton) in 1979 and 480,000 lira ($532) in 1980 versus minimum grower prices of 316,010 lira/ton ($377/short ton) and 365,640 lira ($405), respectively. Average grower prices in the south are considerably lower, near the minimum grower price in 1979 and roughly 400,000 lira ($443) in 1980. (The exchange rates used for 1979 and 1980 are footnoted in table 3.)

The EC lowered the processor subsidy for peaches by about 6 percent in 1980/81 and raised the minimum grower price by about 5 percent. However, when these levels were converted from European currency units to lira via the green rates, the processor subsidy in Italy actually increased 4 percent and the minimum grower price rose nearly 16 percent. Thus, it would appear that only a short peach crop and strong competition from the fresh market sector prevented yet another increase in the Italian peach pack in 1980. In the case of pears, the EC lowered the 1980 processing subsidy by 12 percent and raised the minimum grower price by about 5 percent. However, in terms of Italian lira, the processor subsidy was only 3 percent below the 1979 level and the minimum grower price rose nearly 16 percent.

PEACHES

Area

Although peaches are grown extensively throughlut the country, peaches for processing are concentrated in two principal areas, the eastern Po Valley in the north (Emilia-Romagna) and the Naples area in the south (Campania). Across the mountains from Naples along the Adriatic coast, there is a small, relatively new peach area that may be of importance in the future.

According to official data, the peach area planted but not yet in production was 12,000 hectares in 1979, which was about 13 percent of all peach orchards. The total peach area was approximately 92,400 hectares in 1980 of which about 12,800 hectares (14 percent) were not of bearing age. While nonbearing area exceeds that necessary to maintain current production levels, just over 60 percent of the nonbearing area is in the Emilia-Romagna region. An area breakdown between clingstone and freestone varieties is not available.

A survey of orchards taken in 1977 in accordance with EC instructions, revealed the following area breakdown for bearing peach trees (grown as a principal crop) by region:

Item	Emilia-Romagna	Campania	Piedmonte	Veneto	Other	Total
Area (hectares)	27,967	20,445	9,355	7,043	15,076	79,886
Percent of total	35.0	25.6	11.7	8.8	18.9	100.0

Similar 1979 data by regions, including bearing and nonbearing area, can be found in the appendix.

Cling peach area in the Emilia-Romagna region is expanding. While the local government is, reportedly, pressuring processors to provide aid to growers for planting new cling orchards, at least some large processors are resisting, claiming that the EC price support system is sufficient to provide plentiful supplies in the north in the not-too-distant future. However, competition from the fresh market sector is a potent force and there is some reluctance on the part of established peach growers to become involved with processors. Two of the largest farmer cooperative groups, which own some of the most important canning plants, are carrying out a program with their members to expand cling peach orchards with the aim of becoming self-sufficient within 5 years.

Peach area in the Campania region has apparently stabilized; although native canning varieties are gradually being replaced by American cling varieties. This conversion is expected to gain momentum as the benefits are more readily recognized. There have also been some recent plantings of American cling varieties along the East Coast in the provinces of Foggia and Matera. However, the area involved is still quite limited and the outlook is unclear at this time.

Fresh Production

Commercial production of fresh peaches is estimated at 1.25 million tons in 1980. About 7 percent of the crop was processed. Average production during the 1970's was 1.19 million tons with 5 to 6 percent utilized by the processing industry. During the last 5 years, 35 to 45 percent of the fresh peaches processed were used for producing canned peaches, 20 to 30 percent for fruit cocktail and similar mixtures, 25 percent for nectars and juice, and the remainder in the production of jams, candied fruit, fruit-mustard, and other confectionary products.

In 1980, yellow flesh varieties supplied nearly 85 percent of the peach production. Red Haven is the most popular yellow variety, but it still accounted for only 16 percent of production. Springtime is the most prevalent white variety and accounted for 2.2 percent of the peach crop. Cling varieties (including Vesuvio and Terzarole) represented 12 percent of production in 1980 (160,000 tons), while nectarines represented 7.7 percent. (In 1979, cling peach production was 205,620 tons or 14.6 percent of the crop.) Early varieties account for about 16 percent of the peach crop; summer varieties, 49 percent; and late varieties, 16 percent.

The Campania region accounts for approximately 25 to 30 percent of all fresh peach production, but perhaps as much as three-quarters of the peaches that are processed. The bulk of the freestones that are canned are produced in this area. However, the production of American-type cling varieties is relatively small compared to the production of the old Italian Vesuvio and Terzarole canning varieties. While it is recognized that American cling varieties would extend the processing period by at least another 2 weeks and would also result in a better quality product, the conversion to them is slow. Vivian is the principal American cling variety in the south.

The Emilia-Romagna region accounts for roughly 35 percent of peach production, but probably no more than 25 percent of the peaches that are processed. American cling varieties are the dominant types of peaches grown for the canning industry. The principal varieties are Fortuna and Vivian. However, Fortuna plantings are reportedly on the decline while plantings of the Loadel varieties are increasing.

Early results from current research projects are showing that Loadel, Baby Gold 6, Andross, Jungerman, Klamt, and Baby Gold 9 are well adapted to this region. Such research also shows that yields and percentages of fruit grading Quality I are considerably higher when grafted to wild peach stock than to wild plum.

The Andross variety excelled in all experiments. For the 3-year average from the third to the fifth years after grafting, the Andross variety graded 92.7 percent Quality I, 2.8 percent Quality II, and 4.5 percent rejects. By comparison, Klamt graded 89.7 percent Quality I, 4.9 percent Quality II, and 5.4 percent rejects over the 3-year period; Loadel graded 86.9 percent Quality I, 5.4 percent Quality II, and 7.7 percent rejects; and Vivian graded 79.1 percent Quality I, 7 percent Quality II, and 13.9 percent rejects.

In these experimental plots, average annual production for the Andross variety from the third to the fifth years inclusive was 35.6 tons per hectare (14.4 tons per acre) when grafted to wild peach stock and 26.6 tons per hectare when grafted to wild plum stock. By comparison, the Klamt variety averaged 26.9 tons per hectare when grafted to wild peach, Vivian averaged 22.2 tons per hectare, and Loadel only 17.6 tons per hectare.

Cultural Practices

Because land and labor are expensive in Italy, growers plant more trees per acre and adopt cultural practices that minimize hired labor requirements. For this reason, as well as for larger and better appearing fruit, peaches destined for the fresh market are generally grown by the "Palmette" system (trees pruned on wire scaffolding), while those destined for the processing industry are grown in the traditional manner. Pears are generally grown in the "Palmette" manner regardless of ultimate use. Scaffolding allows family members to do most or all of the harvesting, avoiding direct labor costs which were about 5,000 lira ($6.25) per hour in 1979.

The cost of a peach orchard in the Emilia-Romagna area is around $50,000 per hectare or over $20,000 per acre, 3 to 4 times as high as the California average. However, an average Italian peach orchard has 400-500 trees/hectare or 160-180/acre versus the 108 trees normally planted per acre in the United States.

According to officials at a research station, a peach grower's production cost in the Emilia-Romagna region was 250 to 300 lira per kilogram (14.2-17.0 cents per lb) in 1979, while the average return was a little more than 350 lira (about 20 cents per lb). Based on an average yield of 30 tons per hectare, an average grower's return was about $13,200 per hectare or $5,350 per acre.

Peach growers spray early varieties 6 to 7 times a year and late varieties 9 to 10 times. According to research station officials, a principal reason for this spraying is the Cidia Larvae. While there is reportedly no problem with yellow leaf roll, curly leaf would eventually kill the trees if they were not sprayed regularly. Even though it rains occasionally at harvest time, there is no substantial peach loss due to brown rot. The research station officials estimated the average spraying cost per hectare at 400,000 lira (roughly $200 per acre).

Since the soils in the various fruit producing regions are extremely variable, there are no common fertilizing practices. However, in the leading Emilia-Romagna region, soils are fertile and fertilization normally consists of 90-130 pounds of nitrogen per acre applied in two applications, generally in the form of ammonium sulfate. Ammonium nitrate may be applied between irrigations depending on the quantity of small fruits. In the winter, orchards are normally fertilized with superphosphate at a rate of about 100 units per hectare. Fertilizer application to leaves is sporadic.

The principal peach harvesting seasons are roughly from July 10 to the end of July in Campania and from mid-August to mid-September in Emilia-Romagna. The average number of pickings is four for the fresh market, although it varies by variety, while peaches for processing are usually harvested in two or three operations.

Grower-Canner Relationships

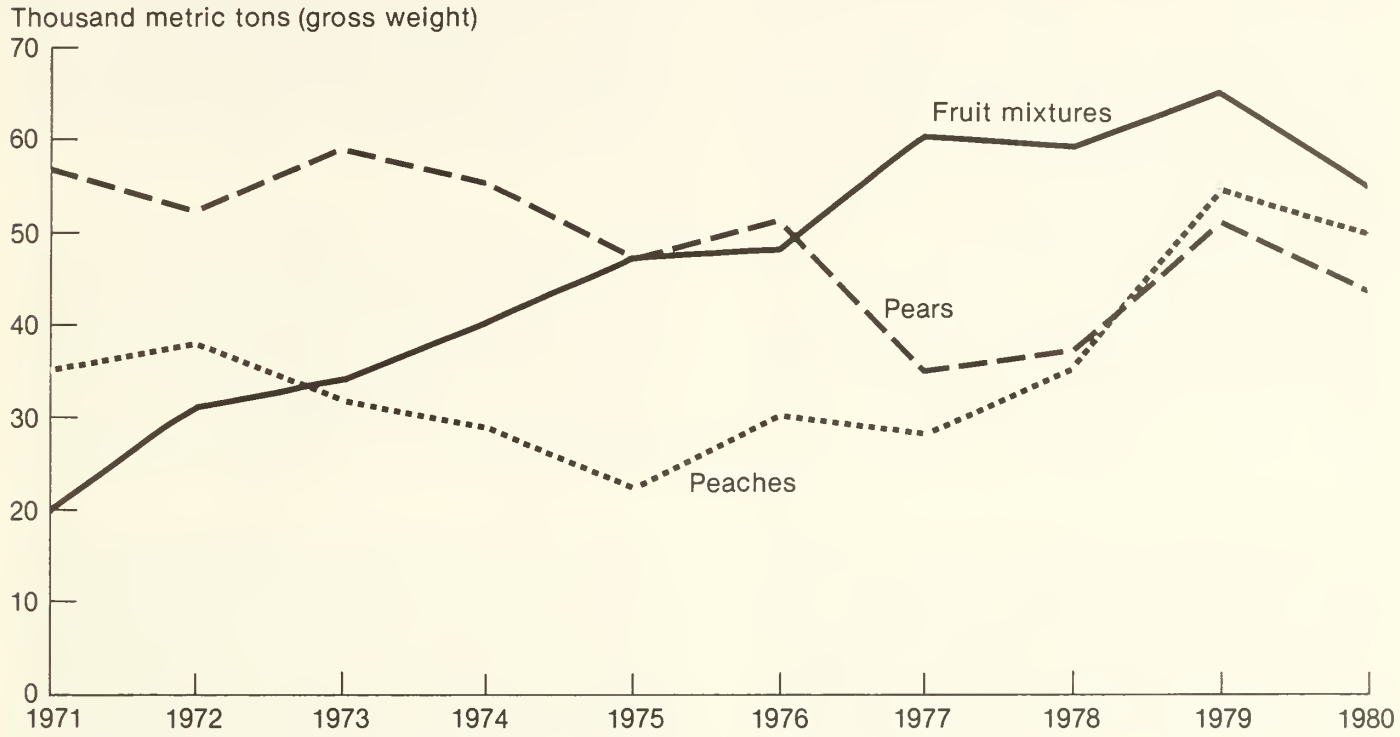
In contrast to the situation in Greece, growers producing fruit for processing generally have contracts with processors. For fruits subject to the EC processing scheme—peaches, William (Bartlett) pears, and cherries—contracts between processors and growers must be signed by specific dates in order for processors to be eligible for the subsidies. Unless extended, such contracts must be signed throughout the EC before June 15 for peaches to be supplied to the industry from July 1 to September 30, before July 1 for William (Bartlett) pears to be supplied to the industry from July 15 to November 15, before May 12 for hard-fleshed heart cherries and other sweet cherries to be supplied from May 12 to September 15, and before May 15 in Italy and July 1 in the other Member States for morello cherries to be supplied to the industry from May 20 to September 15.

As discussed earlier, most growers do their own harvesting with the aid of family members. While most growers in the south are technically not tied to any particular processor or association, those in the north are usually tied to vertically integrated cooperative associations.

Processing

In 1978, there were reportedly 768 fruit and vegetable canneries in Italy. In that year, the Government decided to provide financial assistance for the establishment of grower cooperatives, the construction of new modern canning plants, consolidation of older, small plants, and the moving of old plants to more convenient locations. That was the "Four Leaf Clover Plan" which was never implemented due to ongoing political crises in Italy. According to the plans projections,

Italy: Production of Major Canned Fruits, 1971–1980



per capita consumption of processed fruits and vegetables will increase from the 20 kilograms recorded in 1977 to 25 kilograms in 1981, of which frozen products will account for 1 kilogram. Converted to fresh products, the increase will be from 26 to 33 kilograms, with about one-quarter of the increase being fruit.

Annual canned peach output was at the same level in 1978 as it was in 1971 (35,000 tons) and averaged 31,125 tons between those two years. However, the estimated outputs for 1979 and 1980 were 55,000 and 50,000 tons, respectively. This sharp jump is apparently the result of the EC processing subsidy.

There are approximately 200 canneries in southern Italy, of which 40 to 50 produce canned peaches. Roughly 70,000 to 80,000 tons of fresh peaches are utilized, with the largest share used to produce fruit mixtures. About half of the peaches grown in Campania are processed and about half of the processed peaches are freestones. Most of the "clingstones" processed are the old Italian Vesuvio and Terzarole varieties which are pale in color and "standard" grade. The largest peach canner in Campania produces about 6,000 tons of canned peaches. Canners in southern Italy are members of a regional canners association (Associazione Nazionale Degli Industriali Delle Conserve Alimentari Vegetali).

In northern Italy, cooperatives produce about 70 percent of the peach pack. Nationwide, however, cooperatives produce only about one-quarter of all canned fruit and vegetable production. There are 17 canneries reportedly producing about 25,000 tons of clingstones in northern Italy of which the top 4 account for two-thirds of the total and the top 6, three-quarters. About 90 percent of the peaches canned in this area are clingstones. One cooperative produces about one-third of the American cling varieties processed in Italy, according to the cooperative's officials, with about 70 percent of the pack considered "choice" quality. This cooperative processes 13,000 to 14,000 tons of fresh clings of which 20 to 25 percent are diced for fruit cocktail.

Due to the shortage of clingstones in northern Italy, canners also transport peaches from the southern area for canning and import diced peaches, principally from Greece, for packing fruit cocktail.

Roughly half of Italian canned clings are used in fruit cocktail. Peaches for later use in fruit cocktail and similar mixtures are usually packed in 5-kilogram containers. The principal export size is the 1-kilogram can. Other can sizes are one-half kilogram and 3 kilograms. One cannery official stated that canneries in the north utilize about 780 grams of fresh peaches (raw weight) to pack a 1-kilogram can (gross weight). Another stated that the peach content of the 1-kilogram can (gross weight) averages 480 grams (drained weight) in the north and somewhat less in the south.

Practically all canneries in the north are equipped with Filper-type pitters, either Filper or FMC. The "ideal" cling

peach size, preferred by processors, is 60 millimeters (roughly 2.4 inces in diameter). In the south, there are various types of pitters, including Italian wire pitters and push-twist pitters.

As in Greece, there is a two-tier price system for sugar. Canners must pay the EC price for sugar added to products sold within the EC, while the world price applies to the sugar content of exported products. At the time of this survey, the world price for sugar was approximately half the EC price. Canneries in Italy also buy sugar in crystallized form which requires melting operations in the canneries.

One cannery official stated that the cannery's labor cost averaged 6,500 lira per hour. At 800 lira per U.S. dollar, roughly the exchange rate at that time, the labor cost is about $8.15 per hour.

Exports

Since most deciduous fruits in Italy are consumed fresh, the canning industry has essentially geared its activities around the export market. Domestic consumption of canned peaches is estimated at 20,000 tons, while consumption of canned pears is estimated at only 3,000 to 4,000 tons. If anything, per capita consumption of some canned fruits appears to be declining as inflation and decreasing purchasing power take their toll.

Although canned peach exports have risen from 129,000 cases in 1970 to nearly 1.31 million cases in 1979, they still rank third behind exports of fruit mixtures and canned pears. Exports of canned peaches were exceptionally large in 1979, doubling 1978 exports and 73 percent above the previous 5-year average (1974-78). Other EC members accounted for over 90 percent of canned peach exports with the United Kingdom becoming the principal customer in 1978. Exports to that market have risen from only 22,000 cases in 1976 to the 1979 record of 506,000 cases. West Germany and France are the other two major markets for Italian canned peaches.

Italian canners realize that Greece will offer stiff competition in canned peaches, but do not appear to be overly concerned. This may be because (1) there is the 7-year transition period before Greek canned peaches receive full EC benefits, (2) EC imports from Greece are already duty free, (3) a large share of the Italian canned peaches are used in fruit mixtures, and (4) the belief, at least in the north, that there is a definite place in the EC market for the Italian product. Canners in the Emilia-Romagna region are expecting to beat Greece on quality and the United States and South Africa on price.

According to data available for 1980, total canned peach imports by both West Germany and the United Kingdom were lower than the total in 1979. Overall U.K. imports were down about 11 percent, with imports from Italy also down 11 percent to 515,360 cases while imports from Greece rose 15 percent to 410,635 cases. West German imports were down about 2 percent with imports from Italy up 10 percent to 502,665 cases and imports from Greece down 7 percent to 1.97 million cases.

In 1980, the Confederazione Cooperative Italiane—a loosely organized association of Italian co-ops—formally established an office in Bologna to coordinate marketing and promotion activities, such as trade fairs, for its members' fresh and processed products in foreign countries. It is understood that one of its objectives will be to undertake a big effort to penetrate markets in the Middle East.

Outlook

There will definitely be more clingstones in the future, however, the overall canned peach pack is not expected to increase sharply because (1) clingstones will largely replace freestones in the south, (2) Greece will offer stiff competition, and (3) larger packs of fruit cocktail and similar mixtures will absorb more processed peaches. The latter point, perhaps, is the principal reason that Italian canners are not expressing more concern about competition from Greek canned peaches.

In April 1980, the European Commission dropped antidumping proceedings on canned peach imports from Greece on the grounds that safeguard measures were no longer required. This action was taken, in spite of the Commission's findings that (1) the dumping margin was approximately 10 percent, (2) Greece's share of the EC market had jumped from 28 percent in 1978 to 34 percent in 1979, and (3) because of the Greek competition, EC producers were forced to keep their prices down which led to a number of plant closures. The Commission's decision was influenced by the lack of interest (responses to Commission inquiries) from Italian and French producers. Reportedly, the only Italian reply showed a healthy trend in the industry since 1978, while French producers reported that they had made a number of adjustments and were no longer affected by Greek imports.

The survey team concluded that any quality advantage Italian canned clings may now have over the similar Greek products is temporary at best. In fact, judging from the few samples presented to the survey team for examination, the Greek clings had the edge.

FRUIT MIXTURES

Processing

Production of fruit mixtures rose from 20,000 tons in 1971 to a record 65,000 tons in 1979. The 1980 pack is estimated at 55,000 tons. Fruit cocktail accounts for the bulk of the fruit mixtures packed. The production of two-fruits is relatively small with the United Kingdom being the principal market.

The same canners that process peaches also process fruit mixtures. But not all canners who produce canned fruit mixtures produce canned peaches, except as diced peaches for later use in fruit mixtures. A large portion of the fruit cocktail is packed during the off-season (winter months). One canner estimated that 90 percent of the fruit cocktail is packed in the off-season. In some cases, fruit cocktail is packed entirely from canned ingredients. Processing during the off-season has become economical primarily because of the

processing subsidy for peaches. There is no similar subsidy for fruit cocktail. Thus, peaches can be diced and packed in syrup in order to collect the subsidy, then stored and used to pack fruit cocktail when the regular canning season is over. (Peaches for this purpose are generally packed in 5-kilogram containers.) This has encouraged the use of winter (Passa Crassana) pears rather than William (Bartlett) pears because the former are available fresh and are less expensive than the William pears. However, there is a loss in quality.

The EC approved the processing subsidy scheme for peaches in syrup for the 1978/79 season. William pears in syrup were added in 1979/80 and cherries became eligible in the 1980/81 season. During the 1979/80 season, some canners used canned William pears to produce fruit cocktail and there is no reason to believe that more Williams will not be packed for this purpose in the future. However, this trend may be less dramatic than the switch to canned peaches if abundant supplies of cheap Passa Crassana pears continue to exist.

Fruit cocktail ingredients that must be imported are canned seedless grapes and canned pineapple. The grapes are imported from Cyprus and the pineapple principally from Kenya and the Ivory Coast. One large cannery in the north, that processes peaches only for fruit cocktail, imports about half of its diced peach requirements because of the shortage of local peaches for processing. With these imported products and peaches, William pears, and cherries subject to lucrative processing subsidies. there is little incentive to pack fruit cocktail during the harvesting season. The syrup in which the canned ingredients are packed is not lost. It is re-processed and used in the production of fruit cocktail.

Exports

Italy is now the world's leading exporter of fruit cocktail and related canned fruit mixtures. Exports have increased from 495,000 cases in 1970 to 2.43 million cases in 1979. During that period, over 95 percent of Italian exports of fruit mixtures were shipped to other EC member countries. In the earlier years, West Germany was the dominant market, but its share has been dropping as exports to France and the United Kingdom have been expanding. In 1979, West Germany represented about 37 percent of Italian exports of fruit mixtures, down from 61 percent in 1974. The EC share also dropped to 85 percent of total exports in 1979 due to shipments to new markets, principally Saudi Arabia.

According to import statistics for 1980, Italy's share of the West German market continued to decline while its share of the U.K. market continued to increase. While Italy still supplied 55 percent of West German imports of fruit cocktail, the U.S. share jumped to nearly 29 percent with South Africa a distant third (8 percent). U.K. statistics for 1980 show that South Africa had 49 percent of fruit cocktail/mixed fruit imports in that market, and Italy had 32 percent. Imports from the United States represented less than 1 percent of the total.

Outlook

Italy is now the leading exporter of fruit cocktail and second only to the United States in production. Most of this was accomplished without the large EC processing subsidies on peaches, William (Bartlett) pears, and cherries. With these incentives, the production of fruit cocktail will undoubtedly increase and may account for a larger share of the EC market. However, Italy is still a high-cost producer and the EC tariff cut on fruit cocktail in the recently concluded multilateral tariff negotiations from 22 percent to 15 percent will be beneficial to third country suppliers. In the near term, EC imports of fruit cocktail are not expected to be affected significantly by these developments. The long term effect will depend on the levels of the processing subsidies and the limits (if any) on quantities eligible for such subsidies. These may be determined in Brussels by politics rather than commercial realities.

APPENDIX

DOCUMENTS CONCERNING THE ACCESSION OF THE HELLENIC REPUBLIC TO THE EUROPEAN COMMUNITY

(SELECTED EXCERPTS PERTAINING TO FRUITS AND VEGETABLES)

TITLE IV

AGRICULTURE

Chapter 1

GENERAL PROVISIONS

ARTICLE 57

Save as otherwise provided in this Title, the rules provided for in this Act shall apply to agricultural products.

ARTICLE 58

1. This Article shall apply to prices in respect of which, in Chapter 2, reference is made to this article.

2. Before the first move towards price alignment referred to in Article 59, the prices to be applied in Greece shall be fixed, in accordance with the rules provided for in the common organization of the market in the sector in question, at a level which allows producers in that sector to obtain market prices equivalent to those obtained, for a representative period to be determined for each product, under the previous national system.

   However, in the absence of price data in respect of certain products on the Greek market, the price to be applied in that Member State shall be calculated on the basis of the prices obtaining in the Community as at present constituted of similar products or groups of similar products, or products with which they are in competition.

ARTICLE 59

1. If the application of the provisions of this Title results in a price level different from that of the common prices, the prices in respect of which, in Chapter 2, reference is made to this Article shall, subject to paragraph 4, be aligned with the level of the common prices each year at the beginning of the marketing year in accordance with the provisions of paragraphs 2 and 3.

2. As regards:

   - tomatoes and peaches falling within Regulation (EEC) No. 1035/72 on the common organization of the market in fruit and vegetables and
   - products processed from tomatoes or peaches, falling within Regulation (EEC) No. 516/77 on the common organization of the market in products processed from fruit and vegetables, alignment shall be carried out in seven stages as follows:

     (a) when the price of a product in Greece is lower than the common price the price in that Member State shall, at the time of the first six moves toward alignment, be increased successively, by a seventh, a sixth, a fifth, a quarter, a third and a half of the difference between the price level in that Member State and the common price level which are applicable before each move towards alignment; the price resulting from this calculation shall be increased proportionately to any rise in the common price for the next marketing year; the common price shall be applied at the time of the seventh move towards alignment;

     (b) when the price of a product in Greece is higher than the common price, difference between the price level applicable before each move towards alignment in the Member State and the common price level applicable for the next marketing year shall be reduced successively, at the time of the first six moves towards alignment by a seventh, a sixth, a fifth, a quarter, a third and a half; the common price shall be applied at the time of the seventh move towards alignment.

3. As regards other products, the moves towards alignment shall be carried out in five stages as follows:

   (a) when the price of a product in Greece is lower than the common price, the price applicable in that Member State shall, at the time of the first four moves towards alignment, be increased successively by a fifth, a quarter, a third and a half of the difference between the price level in that Member State and the common

price level which are applicable before each move towards alignment; the price resulting from this calculation shall be increased proportionately to any rise in the common price for the next marketing year; the common price shall be applied at the time of the fifth move towards alignment;

(b) when the price of a product in Greece is higher than the common price, the difference between the price level applicable before each move towards alignment in the Member State and the common price level applicable for the next marketing year shall be reduced successively at the time of the first four moves toward alignment by a fifth, a quarter, a third and a half; the common price shall be applied at the time of the fifth move towards alignment.

4. In the interest of the smooth functioning of the process of integration, the Council, acting in accordance with the procedure laid down in Article 43(2) of the EEC treaty, may decide that, notwithstanding paragraphs 2 and 3, the price of one or more products in Greece shall for one marketing year depart from the prices resulting from the application of paragraphs 2 or 3.

This departure may not exceed 10 percent of the amount of the price move to be made.

In that event, the price level for the following marketing year shall be that which would have resulted from applying paragraphs 2 or 3 if the departure had not been decided upon. A further departure from this price level may, however, be decided upon for that marketing year in accordance with the conditions in the first and second subparagraphs.

The derogation laid down in the first subparagraph shall not apply to the last move towards alignment referred to in paragraphs 2 or 3.

ARTICLE 60

The Council, acting in accordance with the procedure laid down in Article 43(2) of the EEC Treaty may decide that the common price shall be applied to Greece for a specified product:

(a) if it is found that the difference between the price level for the product in question in this Member State and the common price level is minimal;

(b) if the price in Greece or the price on the world market for the product in question is higher than the common price.

Chapter 2

PROVISIONS RELATING TO CERTAIN COMMON ORGANIZATIONS OF MARKETS

Section 1

FRUIT AND VEGETABLES

ARTICLE 74

For fruit and vegetables, Article 59 shall apply to basic prices.

The basic price shall be fixed in Greece, at the time of accession, taking into account the difference between the average producer prices in Greece and in the Community as at present constituted, recorded over a reference period to be determined.

ARTICLE 75

1. A compensatory mechanism shall be introduced on importation, into the Community as at present constituted, for fruit and vegetables coming from Greece for which an institutional price is fixed.

2. This mechanism shall be governed by the following rules:

(a) A comparison shall be drawn between the offer price of the Greek product, as calculated in (b) and a Community offer price calculated annually on the one hand, on the basis of the arithmetical average of producer prices of each Member State of the Community as at present constituted increased by the transport and packaging costs borne by the products from the areas of production up to the representative centres of Community consumption and, on the other hand, taking into account the trend of production costs. The above-mentioned producer prices shall correspond to an average of the price quotations recorded over the three years prior to the date of fixing the above-mentioned Community offer price. The annual Community price may not exceed the level of the reference price applied vis-a-vis third countries. This Community offer price shall be reduced by 3 percent at the time of the first move towards price alignment referred to in Article 59, by 6 percent at the time of the second move, 9 percent at the time of the third move, by 12 percent at the time of the fourth move, by 15 percent at the time of the fifth move and, as regards peaches and tomatoes, by 18 percent at the time of the sixth move, and by 21 percent at the time of the seventh move;

(b) the offer price of the Greek product shall be calculated, each market day, on the basis of the representative price quotations recorded or reduced to

the importer-wholesaler stage in the Community as at present constituted. The price for products coming from Greece shall be equal to the lowest representative price quotation or the average of the lowest representative price quotations recorded for at least 30 percent of the quantities of the products in question marketed throughout the representative markets for which price quotations are available. This or these price quotations shall be reduced by any corrective amount that may be introduced in accordance with the provisions laid down hereinafter in (c);

(c) if the Greek price, thus calculated, shall be less than the Community price, as indicated in (a), a corrective amount equal to the difference between these two prices shall be levied on importation into the Community as at present constituted by the importing Member State. If the daily offer price of the Community product calculated from the markets of the centres of consumption is at a lower level than that of the Community price as defined in (a), the corrective amount may, however, not exceed the difference between, on the one hand, the arithmetical average of these two prices and, on the other hand, the price of the Greek product;

(d) the corrective amount shall be levied until records taken show that the price of the Greek product is equal to or greater than either, the Community price as defined in (a) or, where appropriate, the arithmetical average of Community prices referred to in (c).

3. The compensatory mechanism provided for in this Article shall remain in force:

   (a) until 31 December 1987 for the products referred to in Article 59(2),

   (b) until 31 December 1985 for the products referred to in Article 59(3).

4. If the Greek market is disturbed by the fact of imports from the present Member States, appropriate measures, which may provide for a compensatory mechanism similar to that provided for in the preceding paragraphs, may be decided in respect of imports into Greece of fruit and vegetables from the Community as at present constituted for which an institutional price is fixed.

ARTICLE 78

Until 31 December 1987, the Hellenic Republic shall be authorized to lay down for all the producers of fruit and vegetables the obligation of marketing through local markets all their fruit and vegetable production, which is subject to common quality standards.

Section 16

PRODUCTS PROCESSED FROM FRUIT AND VEGETABLES

ARTICLE 103

For products benefiting from the system of aid laid down in Article 3a of Regulation 516/77 on the common organization of the market in products processed from fruit and vegetables, the following provisions shall apply in Greece:

1. Until the first move towards alignment of prices referred to in Article 59 the minimum price referred to in Article 3a(3) of Regulation 516/77 shall be established on the basis of prices paid in Greece to producers for a product for processing, recorded over a representative period to be determined, under the previous national system.

2. If the minimum price referred to in paragraph 1 differs from the common price, the price in Greece shall be modified at the beginning of each marketing year following accession, in accordance with the detailed rules laid down in Article 59.

3. The amount of Community aid granted in Greece shall be fixed in such a fashion as to compensate the difference between the level of prices of products of third countries, detemined under Article 3(3) of Regulation 516/77 and the level of prices of Greek products established taking into account the minimum price referred to in paragraph 2, and the processing costs obtaining in Greece, without taking into consideration undertakings which have higher costs. This aid may not however exceed aid granted in the Community as at present constituted.

4. Community aid shall be applied in its entirety in Greece as from the beginning of the seventh marketing year following accession for tomato concentrates, peeled tomatoes, tomato juice and tinned peaches, and as from the beginning of the fifth marketing year following accession for prunes derived from dried plums ("prunes d'Ente").[1]

5. However, if the minimum price resulting from the application of paragraph 1 or of paragraph 2 is greater than the common minimum price, the latter price may be definitively adopted for Greece.

[1] Authors note: William Bartlett pears, hard cherries (bigaroons), and other sweet cherries have been added since this accession agreement was adopted.

Table 1.–Greece: Production of Deciduous Fruits

(Thousand MT)

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980[1]
Peaches, freestones	205	234	262	242	281	297	285	277	227	295
Peaches, clingstones	2	4	6	8	20	36	57	71	46	102
Apricots	41	38	49	60	61	74	69	46	77	84
Apples	225	183	233	200	250	255	222	174	280	259
Pears	104	114	120	88	111	108	110	81	105	111
Cherries, sweet	19	22	25	19	23	21	18	17	19	18
Cherries, sour	8	7	8	6	7	7	6	5	7	8

[1] Preliminary.

SOURCE: Agricultural Attache reports.

Table 2.–Greece: Supply and Distribution of Fresh Peaches

(Thousand MT)

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980[1]
Production	207	238	268	250	301	333	342	348	273	397
Exports	72	87	88	102	179	96	148	90	73	102
Waste losses	5	10	7	7	10	40	16	33	2	58
Industrial use	25	40	55	26	35	93	78	112	100	113
Fresh consumption	105	101	118	115	77	104	100	95	98	124

[1] Preliminary.

SOURCE: Agricultural Attache reports.

May 1981

Commodity Programs, FAS, USDA

Table 3.–Greece: **Production of Canned Deciduous Fruit**

(Thousand MT Gross Weight)

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980[1]
Total	56	82	120	86	94	147	149	152	172	185
Freestone peaches	43	61	72	47	31	66	42	70	85	40
Clingstone peaches	(2)	(2)	(2)	(2)	25	35	44	60	45	95
Apricots	11	16	35	33	30	38	53	12	30	40
Other fruits[3]	2	5	13	6	8	8	10	10	12	10

[1] Preliminary. [2] Small, unknown quantities included in freestone production data. [3] Principally strawberries and pears in earlier years, pears and fruit cocktail in recent years.

SOURCE: Agricultural Attache reports.

Table 4.–Greece: **Supply and Distribution of Canned Peaches**

(Thousand MT Gross Weight)

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980[1]
Beginning stocks	(2)	–	–	–	64	60	70	65	70	95
Production	43	61	72	47	56	101	86	130	130	135
Domestic consumption	–	–	–	–	5	6	6	7	10	12
Exports	–	–	–	–	55	85	85	118	95	120
Ending stocks	–	–	–	–	60	70	65	70	95	98

[1] Preliminary. [2] Dashes denote not available, not applicable, or unknown.

SOURCE: Agricultural Attache reports.

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Commodity Programs, FAS, USDA

Table 5.–EC: Imports of Canned Peaches from Greece

(Thousand Cases, Equiv. 24 2-1/2's Net)

Importing Country	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Belgium-Luxembourg	21.5	40.3	16.8	20.4	19.3	9.5	26.9	39.3	52.6	67.2
Denmark	–	–	–	–	–	–	16.5	13.0	53.6	90.2
France	123.0	98.5	223.9	115.7	192.0	211.1	404.2	512.5	729.7	518.0
Germany, West	458.8	922.0	1,269.1	1,886.3	1,571.0	[1] 2,220.0	2,326.8	2,141.9	2,491.0	2,222.9
Italy	–	1.2	0.7	45.1	45.8	0.5	16.2	97.6	168.5	157.4
Netherlands	123.5	155.2	144.2	103.8	31.3	139.5	164.7	224.5	319.7	256.7
United Kingdom[2]	–	–	–	–	–	–	49.5	169.1	256.5	356.1
Total	726.7	1,217.2	1,654.8	2,171.2	1,859.4	2,580.7	3,004.8	3,197.9	4,071.6	3,668.6
(MT equivalent)	(14,834)	(24,846)	(33,777)	(44,318)	(37,954)	(52,676)	(61,333)	(65,275)	(83,110)	(74,884)
Greek exports to all destinations (MT-gross)	NA	NA	NA	NA	NA	(55,000)	(85,000)	(85,000)	(118,000)	(95,000)

–Indicates unknown, not available, or not applicable. Totals may not add due to rounding. [1] Derived due to lack of precise official trade data. [2] "Food News," United Kingdom.

SOURCE: Official trade books unless otherwise noted. Greek exports: Estimates supplied by Agricultural Attache Office, Athens.

May 1981

Commodity Programs, FAS, USDA

Table 6.–Italy: Peach Area

Year	Nonbearing	Percent	Bearing Age	Percent	Total
	--hectares--		*--hectares--*		*--hectares--*
1971.	10,763	13.1	71,670	86.9	82,433
1972.	8,802	10.6	74,241	89.4	83,043
1973.	9,261	11.1	74,496	88.9	83,757
1974.	9,405	11.1	75,637	88.9	85,042
1975.	9,195	10.7	76,740	89.3	85,935
1976.	9,726	11.3	76,516	88.7	86,242
1977.	9,829	11.5	75,825	88.5	85,654
1978.	12,285	13.8	76,510	86.2	88,795
1979.	11,999	13.2	78,593	86.8	90,592
1980[1].	12,800	13.9	79,600	86.1	92,400

[1] Forecast.

Table 7.–Italy: Peach Area Breakdown by Regions in 1979

Regions	Nonbearing	Bearing	Total Area	Percent of National Total
	hectares			
Piedmonte	1,057	9,427	10,484	11.58
Veneto	890	5,899	6,789	7.49
Emilia-Romagna	7,386	27,151	34,537	38.12
Campania	1,004	20,278	21,282	23.49
Other	1,662	15,838	17,500	19.32
Total	11,999	78,593	90,592	100.00

May 1981 Commodity Programs, FAS, USDA

Table 8.–Italy: Production of Major Deciduous Fruits[1]

(Thousand MT)

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980[2]
Apples	1,698	1,873	2,050	1,886	2,127	2,143	1,828	1,874	2,023	1,910
Pears	1,706	1,536	1,570	1,507	1,453	1,523	1,186	1,212	1,062	1,280
Peaches	1,249	1,268	1,176	1,251	1,139	1,449	1,183	1,197	1,408	1,320
Cherries	227	205	178	139	190	156	141	103	179	150
Plums	145	152	128	132	138	171	139	149	161	140
Apricots	106	74	112	115	102	98	84	81	100	95

[1] Includes noncommercial production. [2] Preliminary.

SOURCE: Agricultural Attache reports.

Table 9.–Italy: Utilization of Peaches[1]

(Thousand MT)

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980[2]
Commercial production	1,175	1,190	1,104	1,175	1,070	1,370	1,120	1,140	1,345	1,250
Domestic consumption	823	807	783	770	629	578	685	710	795	775
Exports	247	265	214	225	301	361	319	278	347	300
Processed	50	53	62	60	63	65	66	83	108	95
Losses & withdrawals	55	65	45	120	77	366	50	69	95	80

[1] Excludes noncommercial production. [2] Preliminary.

SOURCE: ISTAT (Central Institute of Statistics); Agricultural Attache reports.

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Commodity Programs, FAS, USDA

Table 10.–Italy: Production of Canned Deciduous Fruits[1]

(Thousand MT Gross Weight)

	1971/72	1972/73	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81[2]
Fruit mixtures	20	31	34	40	47	48	60	59	65	55
Peaches	35	38	32	29	22	30	28	35	55	50
Pears	57	52	59	55	47	51	35	37	51	44
Cherries	9	8	8	7	7	5	7	5	6	6
Apricots	2	2	2	2	1	1	1	1	1	1
Other[3]	10	10	10	8	5	5	4	5	8	5

[1] Includes fruits packed in syrup or in water. [2] Preliminary. [3] Composition of this category unknown. May include some nondeciduous fruits.

SOURCE: Agricultural Attache reports.

Table 11.–Italy: Supply and Distribution of Canned Peaches

(Thousand MT Gross Weight)

	1971/72	1972/73	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81[1]
Beginning stocks	NA	NA	NA	NA	NA	1	4	(2)	5	5
Production	35	38	32	29	22	30	28	35	55	50
Imports	2	2	3	1	3	1	2	8	2	2
Domestic consumption	22	29	23	11	7	10	13	20	20	20
Exports	11	11	12	19	17	18	21	18	37	37
Ending stocks	NA	NA	NA	NA	1	4	(2)	5	5	(2)

[1] Preliminary. [2] Negligible. NA - not available.

SOURCE: AIIPA (Italian Assoc. of Canning Industry); Agricultural Attache reports.

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Commodity Programs, FAS, USDA

Table 12.–Italy: Production and Trade of Canned Deciduous Fruits (August-July Years)

(Thousand MT Gross Weight)

	1971/72	1972/73	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81[1]
Fruit mixtures										
Production	20.0	30.5	34.0	40.0	47.0	48.0	60.0	59.0	65.0	55.0
Imports	0.5	0.4	0.3	0.2	–	–	0.2	0.5	0.4	–
Exports	20.9	31.8	30.6	34.4	39.4	46.9	47.8	53.0	51.1	50.0
Pears										
Production	57.0	52.0	59.0	55.0	47.0	51.0	35.0	36.5	51.0	44.0
Imports	0.1	0.4	0.1	–	0.1	–	0.1	0.3	–	–
Exports	50.0	48.2	40.5	51.9	49.6	49.6	33.3	26.6	48.7	45.0
Peaches										
Production	35.0	38.0	32.0	29.0	22.0	30.0	28.0	35.0	55.0	50.0
Imports	1.6	2.6	3.0	1.2	2.9	0.7	2.5	8.1	2.0	2.0
Exports	11.4	11.3	12.0	19.2	16.6	17.8	20.8	17.6	37.0	37.0
Cherries										
Production	9.0	8.3	8.0	7.0	7.0	5.0	7.0	5.0	5.5	6.0
Imports	0.5	0.1	0.4	–	0.1	–	0.1	0.1	0.5	0.5
Exports	7.7	10.5	9.5	5.4	7.7	8.6	9.0	3.8	2.2	3.0
Apricots										
Production	1.9	2.0	2.0	1.5	1.0	1.0	0.7	0.6	1.0	1.0
Imports	2.7	1.4	1.2	0.7	4.1	11.7	3.6	13.3	4.8	4.5
Exports	0.4	0.2	0.5	0.6	0.4	0.9	0.5	0.4	0.3	0.5

[1] Preliminary.

SOURCE: Agricultural Attache reports.

Table 13.–Italy: Exports of Canned Deciduous Fruit[1]

(Thousand Cases, Equiv. 24 2-1/2's Net)

	1970	1971	1972	1973	1974	1975	1976	1977[2]	1978[2]	1979[2]
Fruit mixtures	495	929	1,095	1,262	1,577	1,637	1,912	1,899	1,925	2,429
Peaches	129	312	402	394	740	845	685	871	646	1,313
Pears	2,105	2,140	2,106	1,540	2,107	1,960	2,164	1,921	960	1,712
Cherries	199	234	377	337	262	255	466	331	212	244
Apricots	4	2	4	8	13	20	40	26	23	37

[1] Excludes fruit preserved in alcohol and fruit packed without sugar added. [2] Includes fruit with and without sugar added.

SOURCE: Official Italian trade statistics.

Table 14.–Italy: Exports of Canned Fruit Mixtures[1]

(Thousand Cases, Equiv. 24 2-1/2's Net)

Country of Destination	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979[2]
EC										
Belgium-Luxembourg	20	55	43	93	125	99	117	94	87	11
France	–	92	129	148	153	208	318	308	368	543
Germany, West	344	542	653	749	960	961	1,098	984	734	893
Netherlands	77	–	240	240	285	313	321	266	225	200
United Kingdom	–	195	–	15	19	28	34	157	430	434
Total	441	884	1,065	1,245	1,542	1,609	1,888	1,809	1,844	2,081
OTHER EUROPE	–	–	–	15	27	19	18	67	61	–
OTHER COUNTRIES	54	46	29	2	7	10	5	22	20	348
Grand total	495	930	1,094	1,262	1,576	1,638	1,911	1,898	1,925	2,429

[1] Canned fruit cocktail and similar fruit mixtures. [2] Preliminary.

SOURCE: Official Italian trade statistics.

Table 15.–Italy: Exports of Canned Peaches

(Thousand Cases, Equiv. 24 2-1/2's Net)

Country of Destination	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979[1]
EC										
Belgium-Luxembourg	6	9	15	20	20	37	46	33	22	18
France	22	35	68	61	117	283	171	159	84	257
Germany, West	89	247	299	265	518	481	408	302	240	420
Netherlands	4	12	15	42	51	22	23	–	10	–
Spain	–	2	–	–	–	7	3	61	7	–
United Kingdom	5	4	3	3	23	10	22	210	270	506
Total	126	309	400	391	729	840	673	765	633	1,201
OTHER EUROPE	–	2	–	–	–	7	3	61	7	–
OTHER COUNTRIES	3	4	3	3	10	4	11	106	14	111
Grand total	129	315	403	394	739	851	687	932	654	1,312

[1] Preliminary.

SOURCE: Official Italian trade statistics.

Table 16.–Italy: Exports of Canned Pears

(Thousand Cases, Equiv. 24 2-1/2's Net)

Country of Destination	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979[1]
EC										
Belgium-Luxembourg	22	22	61	–	68	–	62	3	21	34
France	–	11	47	147	177	54	195	258	264	363
Germany, West	1,239	1,157	1,321	961	1,355	1,192	1,333	1,162	463	541
Netherlands	26	–	–	58	64	–	–	–	–	42
United Kingdom	465	366	258	154	179	235	271	274	93	273
Total	1,752	1,556	1,687	1,320	1,843	1,481	1,861	1,697	841	1,253
OTHER EUROPE	–	41	–	16	95	57	3	–	–	–
OTHER COUNTRIES	353	543	419	203	169	421	300	223	119	455
Grand total	2,105	2,140	2,106	1,539	2,107	1,959	2,164	1,920	960	1,708

[1] Preliminary.

SOURCE: Official Italian trade statistics.

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Commodity Programs, FAS, USDA

Table 17.–Peaches, Canned: Imports into Germany, West

(Thousand Cases, Equiv. 24 2-1/2's Net)

Country of Origin	1970	1971	1972	1973	1974	1975[1]	1976	1977	1978	1979
United States	1,491	868	672	687	213	144	217	342	1,052	447
EUROPE										
Bulgaria	145	130	121	108	68	195	127	65	99	34
Greece	459	922	1,269	1,886	1,571	2,220	2,327	2,142	2,491	2,223
Italy	146	359	359	324	569	618	599	481	466	633
Netherlands	–	1	3	5	3	–	52	31	15	4
Spain	76	88	125	216	80	68	49	35	5	10
Other	2	43	11	21	7	–	–	4	9	134
Total	828	1,543	1,888	2,560	2,298	3,101	3,154	2,758	3,085	3,038
OTHER COUNTRIES										
Argentina	37	189	410	16	56	6	151	67	51	–
Australia	424	345	389	529	338	27	39	108	–	–
South Africa	360	479	842	775	437	814	1,297	432	626	829
Other	34	37	33	12	10	53	72	24	13	17
Total	855	1,050	1,674	1,332	841	900	1,559	631	690	846
Grand total	3,174	3,461	4,234	4,579	3,352	4,145	4,930	3,731	4,827	4,331

[1] Data partially derived because the 1975 official trade statistics combined apricots with peaches.

SOURCE: Official West German trade statistics.

May 1981

Commodity Programs, FAS, USDA

Table 18.–Peaches, Canned: Imports into United Kingdom

(Thousand Cases, Equiv. 24 2-1/2's Net)

Country of Origin	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
United States	–	–	–	–	–	11	3	4	225	–
OTHER COUNTRIES										
Australia	1,588	1,527	1,142	1,408	572	637	519	362	353	317
Greece	–	–	–	–	–	–	49	169	257	356
Italy	–	–	–	–	–	–	28	257	276	582
South Africa	2,849	2,655	2,633	3,174	2,616	2,542	3,071	2,796	2,140	2,271
Spain	12	–	–	–	93	55	12	11	–	–
Other	166	107	74	186	66	40	12	32	35	43
Total	4,615	4,289	3,849	4,768	3,347	3,274	3,691	3,627	3,061	3,569
Grand total	4,615	4,289	3,849	4,768	3,347	3,285	3,694	3,631	3,286	3,569

Source: "Fruit Intelligence" prior to 1976. "Food News", 1976-79.

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Table 19.–Fruit Mixtures, Canned[1]: Imports into Germany, West

(Thousand Cases, Equiv. 24 2-1/2's Net)

Country of Origin	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
United States	526	498	1,264	459	201	48	44	45	108	101
EUROPE										
Belgium-Luxembourg	57	101	249	400	595	2	5	–	–	–
Denmark	–	–	–	–	2	12	49	62	25	17
France	75	175	283	219	139	153	119	102	66	90
Italy	1,233	1,706	2,171	2,084	2,241	1,156	1,235	1,094	806	825
Netherlands	87	94	273	493	500	3	3	3	3	4
United Kingdom	6	5	3	3	16	42	9	7	–	7
Total	1,458	2,081	2,979	3,199	3,493	1,368	1,420	1,268	900	943
OTHER EUROPE										
Czechoslovakia	69	37	34	51	45	–	–	13	–	–
Greece	3	–	2	18	49	7	–	–	4	3
Hungary	36	60	92	77	17	–	–	–	–	–
Poland	31	20	9	11	22	–	–	–	–	–
Romania	36	41	39	41	9	–	–	–	–	–
Spain	90	97	124	126	63	13	7	–	–	2
Yugoslavia	181	146	220	87	33	–	–	–	–	–
Other	12	6	11	47	51	–	–	–	–	–
Total	458	407	531	458	289	20	7	13	4	5
Total Europe	1,916	2,488	3,510	3,657	3,782	1,388	1,427	1,281	904	948
OTHER COUNTRIES										
Argentina	–	6	61	14	–	–	33	29	57	4
Australia	26	49	44	69	31	–	–	–	–	26
Honduras	47	46	69	19	27	–	–	–	–	–
Israel	8	24	27	43	20	–	–	–	–	–
Ivory Coast	10	10	9	11	21	–	–	–	–	–
Japan	15	33	18	26	18	13	7	–	11	3
Morocco	25	6	7	48	39	–	–	–	–	–
Panama	–	–	–	44	19	–	–	–	–	–
South Africa	129	137	113	54	39	47	78	34	77	83
Other	83	64	94	66	71	22	19	13	24	19
Total	343	375	442	394	285	82	137	76	169	135
Grand total	2,785	3,361	5,216	4,510	4,268	1,518	1,608	1,402	1,181	1,184

[1] Canned fruit cocktail and similar fruit mixtures.

SOURCE: Official West German trade statistics.

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Table 20.–Fruit Mixtures, Canned[1]: Imports into United Kingdom

(Thousand Cases, Equiv. 24 2-1/2's Net)

Country of Origin	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
United States	185	80	78	301	186	73	29	36	45	7
EUROPE										
Italy	–	–	–	–	–	–	36	161	475	417
Spain	556	583	682	784	697	486	169	231	89	94
Total	556	583	682	784	697	486	205	392	564	511
OTHER COUNTRIES										
Australia	846	800	768	905	421	366	145	102	197	142
Philippines	–	–	–	–	11	21	–	–	–	–
South Africa	800	692	912	1,165	870	955	792	741	896	1,012
Other	54	72	40	61	68	66	165	41	77	147
Total	1,700	1,564	1,720	2,131	1,370	1,408	1,102	884	1,170	1,301
Grand total	2,441	2,227	2,480	3,216	2,253	1,967	1,336	1,312	1,779	1,819

[1] Canned fruit cocktail and similar fruit mixtures.

SOURCE: "Fruit Intelligence" prior to 1976. "Food News," 1976-79.

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